

**7/25/77 [1]**

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# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Blumenthal to The President (1 page) re: Tax Reform Program	7/21/77	A
memo	From Blumenthal to The President (3 pp.) re: Highlights of Treasury Activities	7/22/77	A
memo w/att.	From Frank Press to The President (7 pp.) re: Approval to Launch Nuclear Power Devices into Space/ enclosed in Hutcheson to Press 7/25/77 <i>1 page opened per RAC, 1/30/13</i>	7/19/77	A

## FILE LOCATION

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## RESTRICTION CODES

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Monday - July 25, 1977

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7:45	Dr. Zbigniew Brzezinski - The Oval Office.
8:15	Mr. Frank Moore, Mr. Dan Tate and Mr. William Cable - The Oval Office.
8:30	Mr. Jody Powell - The Oval Office.
8:45	Depart South Grounds via Motorcade en route Washington Hilton Hotel.
9:00	Address the National Urban League National Convention.
9:28	Return to the White House.
9:30 (2 hrs.)	Meeting of the Cabinet. (Mr. Jack Watson). The Cabinet Room.
11:45	Admiral Hyman Rickover - The Oval Office.
12:00	Lunch with Vice President Walter F. Mondale. The Oval Office.
1:30 (20 min.)	Mr. Bert Lance - The Oval Office.
2:00 (20 min.)	Vice President Walter F. Mondale, Attorney General Griffin Bell, and Dr. Zbigniew Brzezinski - The Oval Office.



CONFIDENTIAL ATTACHMENT

THE WHITE HOUSE  
WASHINGTON

July 25, 1977

Frank Press

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Zbig Brzezinski

RE: APPROVAL TO LAUNCH NUCLEAR  
POWER DEVICES INTO SPACE

*logged  
7/19/77*

DECLASSIFIED  
Per: Rac Project  
ESDN: NLC-126-8-24-1-6  
BY 145 NARA DATE 1/30/13

DECLASSIFIED

Per: Pac Project

ESDM: M.C. 125-8-21-1-0

BY 145 NARA DATE 1/30/12

THE WHITE HOUSE  
WASHINGTON

*Confidential*

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION  
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to  
Carp/Huron within  
48 hours; due to  
Staff Secretary  
next day

	ARAGON
	BOURNE
✓	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
✓	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

Mr. President:

Stu suggests that "you might also insist on knowing in detail what specific safety provisions will be taken, beyond those described, in case of a ruptured RTG."

Rick

THE WHITE HOUSE  
WASHINGTON

~~CONFIDENTIAL~~

July 19, 1977

MEMORANDUM FOR: THE PRESIDENT  
FROM: FRANK PRESS *FP*  
SUBJECT: Approval to Launch Nuclear Power  
Devices into Space

In accordance with the requirements of NSAM 50 (Tab A), NASA Administrator Frosch has written to request your approval for launching two spacecraft containing nuclear power devices (Tab B). These devices, in the form of Radioisotope Thermoelectric Generators (RTGs), will provide the power supply for two Voyager spacecraft, to be launched in August and September on a scientific fly-by mission to Jupiter, Saturn, Uranus and perhaps Neptune. At these distances, solar panels are useless.

The proposed launching of the RTGs has been reviewed by an interagency nuclear safety review panel. The panel has determined (Tab C) that the risks of rupture and dispersion of the RTGs -- fueled by plutonium 238 -- are acceptably small. The fuel is encased in specially designed crash proof containers. The Voyager spacecraft also will contain radioisotope heater units for heating sensitive components. These are also specially designed against rupture and pose no significant safety hazard.

RECOMMENDATION

That you approve the launching of nuclear power devices aboard the Voyager spacecraft. The NSC Staff (Huberman) concurs.

Approve ✓ Disapprove \_\_\_\_\_

~~CONFIDENTIAL~~

DECLASSIFIED

Per: Rac Project

ESDN: NLC-126-8-24-16

BY: *KS* NARA, DATE *1/30/13*

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for Preservation Purposes

*J.C.*  
*Let me know  
what would happen if  
an RTG ruptured*  
*J*





THE WHITE HOUSE  
WASHINGTON

To: The President  
From: Bob Fiskatz

For your information.

cc: Zbig Brzezinski  
Cyrus Vance  
Hamilton Jordan  
Stuart Eizenstadt

7/25/77

MEMORANDUM

TO: THE PRESIDENT

JULY 22, 1977

FROM: JAMES M. WALL *Jmw*

I attended a "background" breakfast this morning at the New York Waldorf-Astoria with Prime Minister Begin and 37 members of what he referred to as "public opinion leaders in this country." Present were editors and executives from TIME, NEWSWEEK, THE NEW YORK TIMES, NEW YORK POST, the three television networks, and a few of us from the religious press. For example: Donovan and Grunwald, Time; Rosenthal, Times; Murdoch, Post; Christofer, Newsweek. In other words, the "heavies."

I share this reaction with you to indicate what the Prime Minister reported to the group on his feelings toward you. He also spoke at length, of course, about negotiations, the PLO, and related matters. But his opinions in these areas you have already heard in detail.

What is important, I think, is the heavy emphasis he placed on his feeling of high regard and personal rapport with you. He referred to several discussions you had including a long "nocturnal" meeting and referred to your "good heart, extraordinary intelligence, ability to make decisions, and quiet moral authority." I summarize, of course, but these were his terms. He also stressed -- to these secular journalists -- the faith that you hold in common, and he stressed the "divine providence" in which you both believe.

Several there used the word "euphoria" to describe the feeling emerging from your meetings, and he did not disagree with this evaluation. He also stressed how much it meant to him to meet your mother.

To this group he projected a strong feeling of optimism. That feeling deserves, I believe, to be shared with you; hence this memorandum, which I shall send through Bob Lipshutz.

James M. Wall  
451 S. Kenilworth  
Elmhurst, Illinois 60126

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for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

July 25, 1977

Bert Lance

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

RE: SAM BROWN'S MEMO DATED 7/18/77  
ON CITIZEN'S REVIEW GROUP

THE WHITE HOUSE  
WASHINGTON

ACTION	FYI		
		MONDALE	<input type="checkbox"/> ENROLLED BILL
		COSTANZA	<input type="checkbox"/> AGENCY REPORT
		EIZENSTAT	<input type="checkbox"/> CAB DECISION
		JORDAN	<input type="checkbox"/> EXECUTIVE ORDER
		LIPSHUTZ	Comments due to
		MOORE	Carp/Huron within
		POWELL	48 hours; due to
		WATSON	Staff Secretary
			next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON		KRAFT
	BOURNE	X	LANCE
	BRZEZINSKI		LINDER
	BUTLER		MITCHELL
	CARP		POSTON
	H. CARTER		PRESS
	CLOUGH		B. RAINWATER
	FALLOWS		SCHLESINGER
	FIRST LADY		SCHNEIDERS
	GAMMILL		SCHULTZE
	HARDEN		SIEGEL
	HOYT		SMITH
	HUTCHESON		STRAUSS
	JAGODA		WELLS
	KING		VOORDE





OFFICE OF  
THE DIRECTOR

THE PRESIDENT HAS SEEN.

**ACTION**

WASHINGTON, D.C. 20525

July 18, 1977

*Bert Lance  
Have Jim &/or  
Harrison work  
w Sam on  
This  
J*

MEMORANDUM TO: The President  
FROM: Sam Brown, Director  
SUBJECT: Citizen's Review Group

Attached is a summary of the final report from the ten CPA firms and the ten Citizens Committees which have reviewed the programs of the ACTION agency.

These reports represent over \$250,000 of contributed time from the American Institute of Certified Public Accountants and nearly 20,000 hours of work contributed by citizens with an interest in community organizations, aging, and the voluntary sector.

The reports make two points very strongly.

First, the current organizational structure of ACTION does more to impede the delivery of programs than to facilitate it. Redundant forms; lack of community input; excessive control far from local problems, either from Washington or the regional offices; lack of adequate staff training; and lack of adequate training for the volunteers all contribute to this problem.

Second, the statutory purposes of many programs has been lost due to inadequate commitment to the program from senior management. Whether this is due to conscious efforts to destroy programs or to simple mismanagement is not clear. The consequences are clear: for example, the organizational and advocacy functions of VISTA volunteers have been lost as it has increasingly become simply a low-priced service delivery mechanism for under-staffed social service agencies.

In order to deal with these major areas and the variety of specific problems pointed out, we have undertaken a second phase which involves working groups from various parts of the agency in making specific recommendations for improvement and a simultaneous review of the headquarters functions which have not yet been reviewed by the management consulting firms. By August 15 I hope to have analyzed the entire structure of the agency, and to have the agency's internal constituency "bought into" a major redirection of domestic programs and structures as a consequence of this review.

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for Preservation Purposes**



This attempt to democratically manage the processes of change takes much more time than simply issuing directives, but in the final analysis I am convinced that it builds an organization which is institutionally committed to the programs of the agency, rather than one which grudgingly puts up with directives from on high.

Enclosure

ACTION'S  
Summary of  
MANAGEMENT CONSULTANTS' REPORTS

from

COOPERS AND LYBRAND (Region I)  
HASKINS AND SELLS (Region II)  
ARTHUR YOUNG & CO. (Region III)  
PRICE WATERHOUSE (Region IV)  
ARTHUR ANDERSEN & CO. (Region V)  
ALFORD, MERONEY & CO. (Region VI).  
PEAT, MARWICK, MITCHELL & CO. (Region VII)  
STONE, GRAY & CO. (Region VIII)  
ERNST & ERNST (Region IX)  
TOUCHE ROSS & CO. (Region X)

Prepared by:  
Citizen's Review Project Management Team  
June 1977

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Prepared by:  
Citizen's Review Project Management Team  
June 1977

## MANAGEMENT REPORTS

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## I. BACKGROUND

In February, 1977, Sam Brown, recently appointed as Director of ACTION, requested an outside review of the agency's program and management operations. The management review was accomplished by ten Management Consultant firms under the auspices of the American Institute of Certified Public Accountants, and at the request of Richard Harden of the White House staff.

The ten firms (listed on the cover page) were asked by ACTION to analyze the operations of each of the ten Regional offices of the Agency. Members of the management analysis teams of these firms visited the Regional offices, interviewed all key staff and reviewed all major operations and systems of the regional offices. State (District) offices were also visited in most cases, as well as some local ACTION-funded projects. The Headquarters office of ACTION was not reviewed. Representatives of 9 of the 10 firms met in Washington on June 23, 1977, to make final recommendations based on the findings in all 10 Regions. The results of the 10 reports and the Washington meeting are presented in summary form in this report by ACTION staff of the Citizen's Review Project. In addition, there are two Appendices which contain a region-by-region compilation of findings, and an index to each individual report.

At the June 23rd meeting, the Management Consultants identified three major tasks that ACTION must complete before the agency can begin to function efficiently and effectively:

- \* ACTION must have an agency mission.
- \* A review of the Headquarters in Washington similar to the Regional Reviews, is essential.
- \* The agency must decide at which organizational level each function should take place and assign personnel accordingly.

It should be noted that a companion study was also done by teams of "citizens" who reviewed the programmatic functions of the ACTION Agency. For a comprehensive view of the programmatic and managerial activities of the ten ACTION regions, it is necessary to read both this report and that of the Citizens Review Committee.



## II. SUMMARY

There is a saying, "If you don't know where you're going, any road will get you there."<sup>1</sup> According to the management reviews, ACTION suffers the consequences of travelling down a number of divergent roads to achieve results which are often ambiguous, conflicting, or non-existent. No clearly defined purpose emerged for the agency as a whole, and the management firms felt that this represented a fundamental problem which affects all operating systems. If the agency as a whole is unsure of what results it wishes to achieve, it becomes impossible to answer the questions, "What constitutes program success? How is it measured? And who is accountable to whom for what results?" The following observation by Peter Drucker is illustrative:

"Is the company that makes and sells kitchen appliances, such as electric ranges, in the food business? Is it in the homemaking business? Or is its main business really consumer finance? Each answer might be the right one at a given time for a given company. But each would lead to very different conclusions as to where the company should put its efforts and seek its rewards."<sup>2</sup> (emphasis added)

When ACTION is unsure or undirected in defining its product, divisions within the agency often have to set their own work priorities. This generates systems which function for such purposes as simplifying the job of the Computer Services Division, or perhaps of the Regional Grants or Program Operations Office. The work of the management review teams makes clear the areas of imbalance in the system. In too many cases, the tail wags the dog in ACTION.

However, the management firms were quite explicit in reporting that many of the ACTION staff they encountered were conscientious and dedicated to getting the job done well. The problem, they said, was that the agency's priorities were not clear. This situation helps to explain why ACTION's Management Information Systems have languished for six years, and why serious deficiencies in the Volunteer Payroll system can go uncorrected for a long time. When the perceived purpose of a program is to produce a certain number of volunteers, then such areas as volunteer training and technical assistance inevitably suffer.

The major findings of the Management Review firms confirm that ACTION's management reporting systems, including the management information systems, the financial reporting systems, and

most of the electronic data processing systems, are in dire need of serious review and overhaul. The accounting system, and those which support the full-time volunteer programs in particular, have such high error rates, time lags, and overall unreliability that the regional offices must spend a great deal of time maintaining manual cuff records in order to operate on an accurate and timely basis. This leads to duplication of effort, and an imbalance in work priorities.

ACTION's decentralized structure, though generally praised as appropriate to our local programming approach, frequently appears to be decentralization to the state office in name only. Important decision-making functions are often retained by the Regional offices.

Even on the local level, organizations sponsoring ACTION volunteers and projects are not convinced that ACTION is working to make their job easier or more productive. Although most firms agreed that the emphasis on a results orientation to project development is an effective approach, ACTION nonetheless burdens sponsors with unnecessarily detailed forms and duplicative attachments. Often it is easier to re-request information from sponsors or state offices than to look it up in existing files. For example, sponsors are required to resubmit all original documentation and attachments each year in multiple copies in order to get refunded. The irony is that neither the Region nor the Headquarters uses much of the information it gathers in these materials.

In spite of the fact that each firm was asked to work independently of the other, and without first hand review of the Headquarter's operation, there were some areas of remarkable consistency in their findings and recommendations. These are noted below, listed in terms of general priority for action by the agency. They are discussed at greater length in the accompanying text.

- \* ACTION must clarify its own mission, not just program by program, but as an independent agency.
- \* ACTION must undertake a comprehensive review of the operating relationships that exist between the Headquarters systems and the Regional and State offices.
- \* ACTION must totally overhaul its management information and management reporting systems.

- \* ACTION must integrate the planning, budgeting and management reporting processes of the agency.
- \* ACTION must correct the high error rate and inefficiency of its accounting systems, especially the Grants Management System and the Volunteer Payroll system.
- \* ACTION must streamline its project approval and monitoring systems, to allow the least paperwork with the most relevant accountability for the sponsor.
- \* ACTION should upgrade its volunteer, project director, and staff training, and consider the establishment of technical assistance units to serve specific program areas.
- \* ACTION must emphasize decentralization as an organizational approach which best serves ACTION's sponsor/volunteer orientation.
- \* ACTION personnel should have clear job descriptions and specific performance standards; they should have career ladders, relevant evaluations, and potential for upward mobility.
- \* The Civil Service Commission and ACTION should examine their procedures for hiring and firing in the federal service (excessive delays; difficulty in hiring off the register); particular importance should be given to the near inability of a supervisor to fire an incompetent employee.

We are greatly indebted to the firms of Coopers and Lybrand (I), Haskins and Sells (II), Arthur Young & Co. (III), Price Waterhouse (IV), Arthur Andersen & Co. (V), Alford Meroney & Co. (VI), Peat, Marwick, Mitchell & Co. (VII), Stone, Gray & Co. (VIII), Ernst & Ernst (IX), and Touche Ross & Co. (X) for the highly professional and concerned manner in which they conducted this review and contributed to our understanding of the problems which exist in the agency. It is now the work of ACTION to analyze the findings, choose the most effective means of solving the problems, and get on with the job of redirecting ACTION's energies to serve this country's most pressing needs.

#### FOOTNOTES

1. Alice in Wonderland, Lewis Carroll.
2. The Age of Discontinuity, Peter Drucker, p. 190.

### III. MAJOR FINDINGS AND RECOMMENDATIONS

#### A. Mission of ACTION

The mission of the agency is not clearly stated or understood. There are no programmatic criteria for choosing projects, and no consensus among staff as to what ACTION is to accomplish in the community except on a program by program basis. Haskins and Sells of New York (Region II) states the problem as follows: "We detected a sort of employee conviction gap between the comfortable advocacy of the clearly articulated older Americans programs (Title II) focused on providing self-fulfillment for volunteers...and labored support of the seemingly more externalized objectives of ACTION's anti-poverty programs (Title I)... We learned that within ACTION even more far reaching views have been expressed about the need for a common theme among programs" (page 3).

#### Recommendation

ACTION must look inward, not just on a program by program basis where the mission is stated in the legislation, but as an agency. Without a clearly carved "niche" in the federal bureaucracy, ACTION is highly vulnerable. The fundamental questions of whether the federal government should be involved in the delivery of human resources through volunteerism must be answered. Is ACTION the caretaker of programs from other agencies? If so, could the programs not more comfortably be returned to those agencies? Or does some special capability result from the combination of these programs under a single agency? Before ACTION can decide on the appropriate management orientation, it must decide where it is going, and what it wishes to accomplish.

#### B. Planning and Budgeting

The results orientation of ACTION's present system was generally applauded. The firms did agree, however, that the system will work better when ACTION knows what results it wants to measure. On the project level, it is fairly clear that ACTION asks the project to measure accomplishment towards stated goals in VISTA (i.e., number of homes winterized; drop in recidivism rate in a corrections project; number of persons passing literacy test in Basic Adult Education program) and towards number of volunteers, station and hours served in the Older Americans programs. These goals are set by the project itself, and sanctioned by ACTION when the agency chooses to fund

the project. ACTION then ignores the results, in any summarized form. (See management reporting).

The accountability measures which we require of sponsors are less vigorously enforced for our own staff. However, ACTION does have a form of results measurement called the Current Year Operating Plan (CYOPs). The CYOPs projects numbers of volunteers and dollars, various emphasis areas for programming (Indian, migrant, rurals, etc.), complete with some benchmarks along the way. The lack of overall goals has resulted in some vagueness and ambiguity in these regional CYOPs, and a general orientation toward process-oriented goals and objectives (i.e. number of volunteers we will field vs. what they will do). In some regions, the state or district office are heavily involved in the planning operations. In other regions, most of the serious planning is done by the regional staff, with perfunctory consultation with the state offices. In some states, CYOPs are done by the states, and never heard from again. In other regions, the Regional Director personally signs off on each major goal. There appears to be little consistent feedback from the Headquarters office (and in some regions, from region to state) on the acceptability or implementation of the Regional CYOPs. Nor is the Operating Plan correlated with the budget in any formal way. This disassociation has caused some regions to view the generation of CYOPs as an exercise in futility.

The real operating measure is on the budget side, where quarterly reviews attempt to reconcile Regional and Headquarters expenditures against goals. Budgets are then adjusted to meet new realities. Sometimes adjusted budgets are received two months into the following quarter. As noted above, the budget is not coordinated with the operating CYOPs.

### Recommendation

Most firms recommended a concise, measurable, result-oriented planning system. In general, they blessed the Management by Objective approach which is used by ACTION Regions with varying degrees of success. The review team from Region V would like to see the 65 CYOPs goals reduced to three measures of program effectiveness (See Arthur Andersen (V), page 11-16). Region IV suggests a unit of service measure (See Price Waterhouse (IV), page 10-12). But, as noted above, the answer to the results orientation will depend on the decision of the ACTION Director on what he wants the agency to accomplish. Then, MBO, the basic system of the agency can be effectively employed to measure the accomplishment of those goals.



It is also recommended that the CYOPs be more closely connected to the budget process, that the states be actively involved in the planning process (bottom-up programming and budgeting), and that the goals set for programming correlate closely with those set for recruitment.

It is also recommended, in a variety of forms that the planning system be tied into the reporting systems of the agency, i.e., the Gladys Mack, the financial reporting systems, the program report systems, etc. This will require a thorough review of all the systems currently used by the agency. It was urged that all user offices participate in the formulation of a planning and budgeting system.

### C. Management Reporting System

Overall, these systems suffer from the same problem as the planning system, since they are, or should be, an extension of the planning apparatus. But various levels of the Agency are unsure of what needs to be reported. The information flow from the field to Headquarters and back is sporadic, uncoordinated, and, in some cases non-existent.

#### 1. Program Reporting

Sponsors report quarterly on progress toward their goals. State offices receive the reports, and forward a copy to the regional office. In some cases, the regional office forwards a copy to Headquarters. In most instances, no feedback is given from one level to the other on the content of the report, nor is any action taken unless there is some unusual occurrence. There is no summarization of the reports on any level, and little indication that the reports are even read at the regional or Headquarters level. Often, many parts of the sponsor's report are not completed.

### Recommendations

ACTION must decide what information it needs in order to make decisions. Then, reports should be summarized for use at different management levels. The sponsor's report should be simplified and redesigned to give basic data in line with the agency/program mission.

#### 2. Electronic Data Processing

These reports were the most consistently criticized and are dealt with in this separate section because they are a critical part of ACTION's management structure. Reports are inaccurate, irrelevant, late, and oriented solely to the needs of the Head-

quarters' personnel. As a result, regional cuff records are maintained in great profusion, and in many regions, represent the only accurate data available on program and accounting operations. Maintaining two sets of records is a duplication of effort, with staff doing the work for the computer.

#### Recommendation

A thorough review of the electronic data processing systems needs to be undertaken. Although many detailed suggestions are made (see attached compilation), it is clear that a piecemeal approach would compound the problem. There was a consistent recommendation, however, that ACTION establish the on-line computer system currently being tested in the Philadelphia region. The prospect of reduced errors, and prompt information gathering and correcting, was seen by all firms as a very positive step.

In the present system, regular reconciliation of cuff records and EDP reports is essential. It was also suggested that procedures for error correction be improved, to include a clear determination of responsibility for error corrections between Headquarters and the Regions. As in other sections of this report, systems design and revision should be accomplished with substantial input from regional staff to ensure user orientation.

#### D. Project Approval, Management and Evaluation

Almost all firms noted the lack of criteria in the area of project selection. Only in those limited areas where state plans are explicit about their growth areas is there any indication of the reasons behind the selection of one project over another. No records are kept beyond the state office (and in many cases, not even in the state office) of projects whose applications were rejected, and the reasons why. Because of this, there is no way to track trends in terms of potential sponsors, or to detect any bias on the part of a state or regional office.

Some criteria should be developed for the selection of one project over another (see section on ACTION Mission). The State Director should make the basic programmatic decision in line with these criteria and his/her state plan. The contents of the proposal package should be complete when it leaves the State office, and a State Director should be held accountable for the completeness and accuracy of these applications. It is recommended that the review process be simplified and streamlined. The basic MBO format should be retained, with a simplified design for project sponsors unsophisticated in government grantsmanship language.

The function of the Project Review Board (PRB) and of the Program Operations Office (POO) should be clarified. Some management firms felt the PRB should be retained, others felt it was useless. But it does seem clear that a reappraisal needs to take place of the time and effort expended at the regional level on project review. It was generally found that program expertise existed mainly at the state level. Therefore, it is reasonable to assume that if the state offices exercise broader responsibility in the selection process, the region's role will diminish proportionately. The present process takes too much time from too many top level personnel. One suggestion was to convene a PRB only in those cases where there is something unusual about the proposal (exceptions review).

#### E. Project Renewal Process

The project renewal process came under attack by all firms. In most regions, the sponsors must complete the same forms each year, as if the project were new. This often means copying goals and objectives off one paper on to another. In many regions, extensive attachments are required each year, although the regional office already has the papers in its files. In many regions, the past performance of the sponsor is not formally taken into consideration when application for renewal is made. In addition, the project renewal process on the regional level appears to be as complicated as the original approval process, including a full PRB in most regions.

#### Recommendation

A very simple continuation application should be developed, and minimum documentation should be required for a well managed on-going project. Past performance should be taken into account in a project renewal, but the procedures for continuation of a project should be much reduced, with no PRB convened unless there are problems with the project. This should shorten the present six month renewal process considerably.

#### F. Project Monitoring

Most firms found that the sponsor's quarterly reports were not sufficient to provide accurate monitoring of a project. Most felt that not enough on-site monitoring was being done by the State staff, who often complained that they were unable to get into the field because they spent so much time dealing with paperwork (see preceding section).

## Recommendation

State staff should spend more time in the field, in an on-site monitoring and technical assistance capacity. As much as possible, emphasis should be on on-site rather than paper review. In many cases, the semi-annual visits currently required were not being accomplished, and many management firms felt that more frequent visits would be desirable. A result might be a reduction in the number of sponsor prepared reports.

Projects are monitored by the group that developed and nurtured the project (State office staff). There is, therefore, a potential lack of objectivity to their evaluation results. Several management firms suggested that projects should be regularly monitored by a staff person not involved in the project's development. This might suggest an expanded role for the Program Operations Officer, who might become an on-site auditor. Audits of grant programs by independent CPA firms should be done at least bi-annually. There should be circulation of models of successful and unsuccessful programs, so that some standards of success are known across the country.

## G. Program Support

### 1. Organization Structure

The decentralized management approach of ACTION was found by most firms to be an appropriate structure for the Agency. However, the degree of decentralization varied noticeably from region to region.

On the Regional level, there appears to be some confusion about the programmatic versus administrative functions, perhaps compounded by the lack of clear authority in these two areas (all unit heads operate as peers responsible to the Deputy/Regional Director). There also appears to be some confusion between line and staff positions, where the staff functions of Grants and Contracts office and Program Operations Officer are seen by some as superior to the line positions of the State Directors.

## Recommendation

Decentralize both authority and responsibility to the lowest possible level (State offices, at this point). One management team suggested decentralizing administrative functions to the states (budgets, volunteer support, etc.) and consolidating the ten regions into five "support centers". It was also emphasized that State Directors must be held accountable for their performance. The lack of authority at this level has tended to

promote undisciplined performance in some State Directors who feel that they do not have any final responsibility.

The roles of the program and administrative functions should be clarified. In two regions, it is suggested that some form of "double deputies", similar to that under which ACTION operated several years ago, be reinstituted. At least, the responsibilities of line vs. staff operators should be clearly explained to all staff, so that there is no confusion about the reporting relationships and decision-making capabilities of the various staff members.

## 2. Personnel

Almost all regions are currently understaffed. Whether it be the hiring freeze, or the slowness of Washington personnel, or a combination of the two, it is clear that the prolonged absence of key staff (Region V, II especially) is a very serious obstacle to the effective management of an office. The need is even more critical on the state level, where staffing levels permit no flexibility at all.

In most regions, job descriptions are extent, but specific performance standards are not. Since the job descriptions are generally standard for the entire country, they often do not allow the specific task orientation necessary to ensure that an employee knows what is expected of him/her. The resulting ambiguity is a problem in some places.

A more fundamental problem was noted due to the inflexibility of the Civil Service system itself. Not only does it take an inordinate amount of time to hire someone, but, once hired, it is very difficult to fire any one. Managers complain that while they are aware of the procedures relating to firing an employee, they are so cumbersome and time-consuming that they usually choose to work around an incompetent employee, knowing that even should they succeed in terminating the employee, that the rounds of appeals which follow will take more time and energy than the employee is worth.

The lack of flexibility in the Civil Service System also creates a problem with the fluctuation of workload in the region. There are very limited opportunities to bring on seasonal employees (other than in ORC), and to reassign employees to meet workload fluctuations.



There was also a general concern on the part of the management firms that workload did not seem to be based on any manpower utilization system. Others felt that while there was no evidence of a workload system in operation, that the work did seem to be fairly well divided, that employees know clearly what was expected of them, and did their work well.

Several regions mentioned that the dedication, enthusiasm, and general competence of the ACTION employees was "above average".

The lack of career mobility was mentioned in many reports. In most cases, the top managers are consistently brought in from the outside, and this syndrome discourages any sense of future in working through the system. In addition, many jobs simply dead end at middle or low positions, and there are few bridge positions.

All firms noted the lack of training of personnel, especially in the financial areas. In addition, if the State Program staff is to take a more active role in providing technical assistance to projects, more training of this staff will need to take place. In any case, staff training has obviously been neglected agency-wide, and the effects are apparent on many levels. It was also noted that because of the hiring practices and lack of career ladders, many ACTION employees are unfamiliar with operations at levels other than their own.

### Recommendation

A review of the Civil Service System and ACTION's own personnel procedures should be made to assure that personnel can be both hired and fired with a minimum of wasted time and energy.

Key positions should be filled immediately.

Performance standards should be instituted for employees.

A workload study should be done to review appropriateness of job functions, titles, and staffing complements.

Positions need to be restructured to permit career ladders and upward mobility.

The workload peaks and valleys in the Regional Offices should be smoothed out. Where this is not possible, staffing levels should be seasonalized.

A comprehensive training plan for Regional (and Headquarters) staff should be instituted. Specific areas mentioned include financial systems, Grants and Contracts (especially for field staff), and management skills. ACTION might institute some rotation or temporary duty system so that employees could spend time performing functions which would give them a broader appreciation and practical understanding of the workings of the agency as a whole. If training were designed by the people who have received the training, it might better meet their needs.

### 3. Volunteer Recruitment, Processing and Training

Although this area was more extensively treated by the Citizen's Review Committee, the management firms did have quite a bit of say, although the results often appeared in other sections, such as Electronic Data Processing or Personnel. The overall problem appears to relate to the lack of coordination between the programming process and the recruiting mechanism. As the programmers in the field complete their long process of project development (especially with small grassroots sponsors), they are not developing projects which take into consideration recruiting capabilities or peak recruiting periods. This is a particular problem with pre-slotting. It is also very clear that the time frames for completing the programming process are not consistent with the recruiting time frames.

A different type of problem occurs with the locally recruited volunteers. The recruiters are given no credit or extra budget to assist in local recruiting. Therefore, on-site help to a local sponsor is virtually unknown. State staff are rarely trained by the recruiters in helping local sponsors. A survey done in one region showed that 50% of the locally recruited volunteers' applications were late into the recruiting center; 30% were incorrectly completed. There is evidence that the applications are then given a very perfunctory review by ORC when they are received.

#### Recommendation

Coordinate the timing and the supply and demand trends of the recruiting and programming arms of the agency.

Have ORC assist in the recruitment of locally recruited volunteers when requested.

Improve recruiting overall by making recruiters full time (instead of seasonal), employing more minority recruiters, and achieving a better balance between quality and quantity goals by giving recruiters more time to reach objectives.

Develop a strong media campaign which projects a unified image of ACTION. While this is related to the agency's mission, it also has an important effect on recruiting.

### Training

While this item was treated extensively by the Citizens Review Committee, the CPA firms noted that volunteer training was universally seen as inadequate to useless. Pre-service orientation appears wholly inadequate, and largely dedicated to exercises in filling out ACTION forms: training on the project site is often poorly designed, with little help from ACTION staff, and it is poorly monitored. The guidelines for the use of in-service training monies do not appear to be clearly understood. In one region, only half the money was used this year. Few opportunities for training of project directors and supervisors are provided.

### Recommendation

The entire training concept should be re-examined for relevancy and timeliness. If ACTION is to continue to rely heavily on sponsor training, then much more attention needs to be given to training the sponsors (especially grassroots) in how to train. Guidelines for in-service training need to be more clearly defined.

### 4. Technical Assistance

ACTION has sponsored thousands of projects in hundreds of different areas. Very little information on project success or failure is preserved or disseminated to potential or on-going projects. Few state program staffs even know what is being accomplished in a neighboring state. In most cases, they are unable to be of substantive assistance to projects in trouble. This is an especially critical problem when small grassroots groups are experimenting with an unfamiliar approach to a poverty problem.

### Recommendation

ACTION should develop a memory, i.e., a mechanism for storing, analyzing and disseminating the information from the rich store of experience represented by ACTION projects. Several management firms recommended the establishment of this function in some form, either at the Headquarters or Regional level.

A C T I O N

FINAL REPORT

of the

CITIZENS' REVIEW PROJECT

JULY, 1977

## INTRODUCTION

### SUMMARY OF FINDINGS AND OBSERVATIONS

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- A. Program Development
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## INTRODUCTION

This report, prepared for Sam Brown, Director of the ACTION Agency, summarizes the findings and observations of ten Citizen's Review Committees, one for each of the ten Federal Regions. Each committee, composed of 10 to 15 citizens who lived in the Region, spent five weeks studying the domestic programs of ACTION. Their written reports were synthesized into a single document which was discussed by representatives of the ten committees at a meeting in Washington on June 24, 1977. This document is a product of that meeting.

The report contains three (3) sections:

Part I -- Discusses the agency-wide issues the committee members felt were fundamental to the future of ACTION.

Part II -- Discusses the individual programs.

Part III-- Discusses ways to make the programs work better.

Although the language varied from region to region, there was a surprising consensus about the specific problems that plague the agency. This report reflects that agreement.

The citizens looked at over 30% of ACTIONS' domestic programs. They visited the project sites and talked with ACTION Regional and State staff, sponsors, project directors, volunteers, program recipients and members of the communities. Their observations stem from these visits and interviews. Their conclusions about ACTION and its programs are drawn from what they saw and heard. The report does not purport to be a scientific evaluation of the agency. In some cases the limited amount of information available may skew the results. It does reflect, however, the candid opinions of hundreds of people across the country some connected officially with the agency and some only interested citizens about the work of the agency.

Without exception, the committee members were impressed with the dedication, creativity and commitment of ACTION staff and volunteers. This report concentrates on the problem areas within the agency structure which impede or stymie their work.



If the focus of this report sometimes seems negative, it is because of the committees' desire to identify those areas where ACTION needs to undertake corrective measures and policies so that the agency can focus on supporting its programs and personnel rather than its bureaucracy, and in so doing, become the vital force for the betterment of life in this country that it was originally meant to be.

## I. THE AGENCY

The Committee addressed numerous issues that were agency-wide in scope but four were judged to be of overriding and fundamental importance to the future of ACTION. They were:

- \* The fact that ACTION never has developed a statement of mission and purpose for the agency as a whole.
- \* The organizational and staffing patterns that work against effective implementation of ACTION programs.
- \* The small number of minority people who participate in ACTION-supported programs.
- \* The low visibility of ACTION's domestic programs.

### A. Mission and Purpose

ACTION is an agency without a mission. The legislation that established ACTION contained a statement of purpose only for VISTA and for Special Volunteer Programs.

It is impossible for any agency, public or private, to function effectively and measure its progress if it has no mission. In the case of ACTION, the lack of mission affects the organization and staffing of the agency and all its program development functions: the recruitment of volunteers; the selection of sponsors; the training of volunteers, sponsors and staff; and agency-wide planning, evaluation and implementation. In fact, many problems discussed in this report are directly related to the lack of an agency-wide mission.

As a first order of business, ACTION should develop a statement of mission and purpose that is clear and concise, that eliminates the confusion about goals and objectives that currently exists within the agency, and that provides direction and coherence to the efforts of both staff and volunteers. Otherwise, ACTION will remain a vague and vulnerable agency within the Federal bureaucracy rather than an agency with a defined, valuable and perhaps unique role to play in our national life.

Poverty and its causes should be the basic, though not exclusive, concern of ACTION. However, the ACTION mission should not simply repeat the rhetoric or the ideas of the 1960s and the War on Poverty. It should not promise either the poor or the volunteers that ACTION programs will end poverty or eliminate any of its root causes. No single agency, let alone an agency which relies on volunteers who serve for a year or two, can accomplish that enormous task by itself.

Instead, ACTION should emphasize realistic opportunities and goals. It should focus on objectives that are tangible and achievable. Idealism, dedication and motivation are essential elements of ACTION, but a mission that is overly romantic will lead to disappointment, discouragement, frustration and failure.

Above all, the mission must recognize and respect the integrity of the communities and the individuals with whom ACTION volunteers will be working, and their fundamental human right to determine the shape, scope and direction of their own lives.

The idea that minority and low-income groups lack leadership and initiative and, therefore, are unable to organize and become effective advocates in their own behalf without outside help may have had some validity in the 1960s. It has little validity in the 1970s. For the most part, these communities already are effective advocates for themselves. They know what they need and they know how to organize themselves toward those ends. What many communities need at this particular time are individuals with special skills and talents who can supplement skills and talents available within the community.

The mission of ACTION should be to provide these resources in a manner that supports and reinforces the strength and independence of the individuals, neighborhoods and communities who seek the assistance of ACTION.

The statement of mission should recognize that ACTION volunteers also are involved with people who are not poor and who may not be members of any minority. The statement should acknowledge that volunteers working in this situation may be required to perform tasks and functions different from those performed by volunteers working with low-income communities and individuals.

Finally, the mission must recognize the importance of encouraging volunteers to become advocates for all people who are unable to articulate their needs and whose needs might go unrecognized and unmet if ACTION volunteers did not become advocates in their behalf.

## B. Organization and Staffing

ACTION is an agency that is heavy at the top of the organizational structure with staff and authority but heavy at the bottom with responsibility. Most of the people the agency employs and most of the people who have programmatic authority within the agency work at the national and regional level, while nearly all the responsibility for implementing the programs occurs at the local level.

But ACTION's internal problems go much deeper. To begin with, the training ACTION staff receives often is inconsistent with their function.

Another critical problem is that ACTION staff at all levels, and particularly at the state office level, is too desk and paper oriented. About two thirds of useable staff time is spent shuffling papers. Much of the paperwork that occurs appears to have no relevance to what is happening in the field.

The result is inevitable. ACTION staff is frequently unaware of the problems of volunteers and the recipients of ACTION programs, and nobody is in a position to assist volunteers and programs on a day-to-day basis.

While ACTION is supposedly decentrailized, in actuality it does not function that way. Decentralizing ACTION so that local offices have the staff and authority they need to carry out their programmatic responsibilities, while insuring that simple and useful reporting and monitoring systems are used, should be a high priority item on the ACTION agenda. ACTION also should:

- \* Define the appropriate roles and functions for staff people assigned to national regional and state offices.
- \* Recruit and train people who are sensitive to the problems that exist in the field and who will spend less time shuffling papers and more time providing services to volunteers and sponsors.

- \* Require people in state offices to spend more time in the field.
- \* Develop a system of staff accountability at all levels. For example, volunteers and sponsors said some staff people who filed reports saying they made field visits had never actually been to see the projects.
- \* Remove incompetent staff people or staff people who are not doing their job properly.
- \* Develop a mechanism that will allow the agency to hire qualified non-civil service persons for essential staff jobs.

### C. Minority Participation

The lack of adequate numbers of minority volunteers is a serious problem throughout ACTION. Although there is an affirmative action plan design for VISTA, there appears to be no real effort to recruit minority volunteers. ACTION itself does not actively recruit minority sponsors, nor encourage sponsors of the Retired Seniors Volunteer Program (RSVP), the Foster Grandparent Program (FGP) or the Senior Companion Program (SCP) to actively recruit minorities. Universities who sponsor University Year for ACTION (UYA) frequently do a better job of recruiting minorities but the drop-out rate for minority UYA's is high because benefits are low.

One reason that minority and low-income individuals are grossly under-represented is because ACTION represents an economic step backward for many of these people. Individuals faced with the need to earn a living cannot afford the "luxury" of becoming a volunteer. Similarly, individuals who have the skills and training that a program such as VISTA might be able to use, quickly learn that the affirmative action programs of business offer much more in the way of tangible benefits and career opportunities than does a year in an ACTION program.

Attracting sufficient numbers of minority and low-income volunteers will be difficult. However, there are several steps ACTION could take that might make volunteer service more attractive to minority and low-income people. These steps include:

- \* Recruit minority and community-based sponsors who will be sensitive to ACTION's goal of addressing the problems of low-income and minority communities, neighborhoods and individuals.
- \* Developing an affirmative action plan for recruiting minority and low-income people as well as union members and blue collar workers to become volunteers.
- \* Encouraging employers to grant leave of absence to those who wish to be volunteers.
- \* Developing career ladders within ACTION programs.
- \* Developing a program of benefits for minorities based on the model of the GI Bill.
- \* Raising the stipend paid to volunteers.
- \* Granting tuition or academic credit in schools of higher education in compensation for ACTION experience and service.

#### D. Low Visibility

There seems to be little recognition throughout the country that ACTION is an agency that has domestic programs as well as the agency which houses the Peace Corps.

ACTION should develop an advertising and promotion campaign that emphasizes its domestic programs. However, a campaign of this type probably will not be effective until ACTION has developed a statement of mission and purpose.

## II. THE PROGRAMS

### A. Volunteers In Service To America (VISTA)

#### Purpose

As originally conceived, VISTA was a program designed to provide full-time volunteers to public and private non-profit organizations working to eliminate poverty and poverty-related human, social and environmental conditions.

Since then, VISTA has evolved into an agency whose volunteers are involved primarily in one-to-one service projects. For example, many are simply performing clerical duties in government agencies which serve as sponsors. Others are winterizing houses and driving people to health clinics rather than mobilizing community resources to do those jobs. The inevitable results is that VISTA becomes a provider of "bodies" rather than a force in the community, a program whose legacy is a vacuum rather than an active community resource.

Moreover, the lack of VISTAS in communities where one would expect to find them is appalling. There is one VISTA in Gary, Indiana, none on the South side of Chicago, and only one VISTA project with 11 volunteers in all of Harlem.

Though one-to-one services are useful and appropriate in certain situations, they should not be the primary focus of VISTA activity. VISTA needs a more substantial purpose, a purpose in which the role of the volunteer and the sponsor is to promote social change by enabling people to solve their own problems. VISTAs should assist and enable low-income and minority communities and individuals to become more effective in mobilizing resources in their own behalf. In some instances, VISTA volunteers may be asked to engage in community organization and development, but essentially the VISTA volunteer should bring a special skill, talent or expertise to an community organization that has requested such a resource.

A statement of purpose along these lines would reflect the ideas contained in the proposed statement of mission and purpose for the agency as a whole, would involve VISTA volunteers with low-income and minority communities, and would move VISTA in a direction that is more appropriate to the late 1970s.



## Sponsors

The majority of VISTA sponsors are direct service agencies of state, county and city government. Often large numbers of VISTAs are controlled by one sponsor. Few minority and/or community, neighborhood or consumer controlled organizations are VISTA sponsors because (a) they often lack grant writing and project monitoring skills that government agencies have available at their fingertips, and (b) local politics favors placing volunteers in established, non-controversial agencies.

Another shortcoming is that sponsors are most often chosen by the language that is written into their application for sponsorship, rather than for their ability to deal effectively with the problems and needs of the groups and communities they are supposed to serve.

VISTA needs to shift its policy and focus so that existing community, neighborhood and consumer based and controlled organizations -- organizations that include and represent the people who would be helped and served by VISTA -- become the primary sponsors of VISTA volunteers. No one sponsor should control large numbers of VISTAs. VISTA should provide whatever affirmative action and encouragement is necessary to develop community-based sponsors. VISTA also should help these community-based organizations develop and process their applications.

Although existing community and neighborhood organizations should be the primary sponsors of VISTA programs, it could be appropriate in some cases for volunteers to work with organizations that are just being formed. This opportunity should not be foreclosed.

Government agencies should not be completely ruled out as VISTA sponsors provided that the activities of these agencies are directly related to the purposes of ACTION and VISTA. However, volunteers should not be used as cheap labor for shorthanded government agencies.

Several additional changes need to be made in the process of selecting and monitoring VISTA sponsors. They include:

- \* Requiring potential sponsors to have an advisory board composed of residents from the community they serve.

- \* Shifting the sponsorship of VISTAs to different organizations within a community
- \* Removing VISTAs from any sponsoring organization if an agency assessment finds that the sponsor is not full-filling the VISTA purpose.

### Recruitment

Both national and local recruitment efforts were looked at primarily from the perspective of the VISTA volunteer.

For all practical purposes, nationally-recruited VISTAs are self-recruited, becoming volunteers largely through their own initiative and enthusiasm. Some learn about VISTA from ACTION's Peace Corps recruitment. Others already know about the program and want to work in a special setting or in a community away from their home.

Once a person has applied to become a nationally-recruited volunteer (NRV), his or her application is processed at one of the five Service Centers around the country (or at an ACTION state office.) Unless the person lives near an office, there is rarely any kind of face-to-face contact between the potential volunteer and agency personnel.

The recruitment process can be amazingly short or appallingly long. Some people were working as volunteers two weeks after they applied to VISTA. Others waited six months before ACTION responded to their initial inquiry. People who eventually become nationally-recruited volunteers are usually college graduates.

Locally-recruited volunteers (LRVs) are sought out by VISTA sponsors and/or State Program Officers with their applications handled first by an ACTION state office, then by the Service Center. They have many of the same complaints as nationally-recruited volunteers: receiving misinformation about VISTA from ACTION, long and complicated application forms, the impersonal quality of the recruitment process.

To improve its recruitment program, VISTA should:

- \* Provide accurate information about volunteer service to both the locally and nationally recruited volunteers.
- \* Shorten and simplify the VISTA application forms and process.
- \* Personalize the recruitment process so that VISTA recruitment and assignment is based on personal knowledge of the volunteer.
- \* Assign each prospective volunteer to a recruiter who will be responsible for following that person through the entire recruitment and training process.
- \* Urge state offices to participate more in the selection and placement of locally recruited volunteers so that ACTION can be assured that the sponsor's use of the volunteer is appropriate.
- \* Establish better communication and coordination between the nationally and locally recruited volunteer programs.
- \* Recruit VISTAs for two years' service and pay volunteers a higher stipend the second year.
- \* Design a process to replace volunteers who leave a project before their term of service has expired or who terminate early.

As noted in Part I of this report, minority recruitment is a fundamental problem of VISTA and all other ACTION programs. Minority recruiters can most effectively recruit minority volunteers who will be sensitive to the community where they will work and to the task they will be called upon to perform. The Catch-22 of minority recruitment, however, is that recruiters must be former volunteers. VISTA could help solve this problem by hiring minority people who have not been volunteers to serve as minority recruiters.

## B. Retired Senior Volunteer Program (RSVP)

### Purpose

RSVP is a program that provides grants and technical assistance to establish and expand projects which provide "meaningful" part-time volunteer activities for retired persons age 60 and over.

Although RSVP is currently fulfilling this purpose and there is great enthusiasm for the program, little has been required of RSVP in the way of demonstrably useful community service. It is the only ACTION program without a poverty focus. Also, while many RSVP programs do provide very useful work, it is the one ACTION program vulnerable to criticism for sponsoring white, middle-class social gatherings.

Working with people who are not members of any minority community and in settings where the income level is above the poverty line is an allowable use of RSVPs. However, it should not be the primary use.

The purpose of RSVP should be revised and expanded so that:

- \* Projects that directly affect minority and low-income individuals and groups take precedence over projects that do not.
- \* Volunteers become advocates for the seniors with whom they work.
- \* "Meaningful" service is defined to include community service as well as personal satisfaction.

Essentially, this would mean giving priority to programs which enhance low-income and minority seniors ability to cope with such problems as fixed income, social security, income tax and health care. Projects which RSVPs may find to be personally satisfying but which have no community service component. should be eliminated.

## Sponsors

In RSVP, even more than in VISTA, sponsors are traditional agencies and institutions -- state, county and local government agencies and large, established senior citizen organizations.

Since RSVP is not focused toward low-income and majority communities, the sponsors are generally not responsive to the needs of those communities. Most sponsors are not even responding effectively to the RSVPs themselves. Many have only the most general and vague sense of the skills of the RSVP's and the needs of those who are receiving volunteer assistance.

Less traditional and more community-minded and community-based sponsors will be needed if RSVP is going to address significant community problems and reflect the goals of the Agency. Sponsors should include senior citizen activist groups; institutions which meet important community needs but which require volunteer support to improve their effectiveness; groups which recognize and support the informal networks of volunteers which already exist in minority communities; and senior social groups whose boards and activities reflect the population and the social needs of their neighborhoods. RSVP's should never fill slots that deprive other people of jobs.

Sponsors and project directors should:

- \* Spend more time developing new stations for RSVP service in areas that will have a significant impact on community needs.
- \* Assess the needs of a community and match the the skills of the RSVPs to those needs.
- \* Provide an opportunity for senior advocacy.
- \* Provide adequate supervision and recognition for the volunteers.

## Recruitment

RSVP recruitment practices need scrutiny.

The size of an RSVP grant depends upon the number of volunteers involved in the program. Some projects follow the practice of simply signing up volunteers from already established social groups in order to increase their funding while providing minimum opportunities for useful volunteer work. Since RSVP programs require no community service, and since there is no clear definition of "meaningful" volunteer service, this practice is not illegal.

The result, however, is that recruitment becomes a vehicle to increase funding levels, not a method of increasing service and assistance to the community. The sponsor, rather than the volunteer, becomes the principal beneficiary of the program.

Although this does not occur in all projects, it occurs frequently enough to warrant special attention. ACTION can stop this practice by including "community impact" as a goal for RSVP service, and by focusing its recruitment efforts on older citizens who are not already involved in programs at existing senior citizen organizations.

RSVP also needs to recruit more men. This will be easier if there is meaningful work to be done. An RSVP outreach program that provides pre-retirement orientation to people who might become volunteers would be one vehicle for increasing the number of volunteers and the number of men.

Finally, sponsors need to write grants that specify the ratio of volunteers per project director to avoid the situation where one project director is attempting to place 800 or 900 volunteers. A realistic ratio would leave the project director time to find useful stations for volunteers as well as time to match volunteer skills to tasks that need to be done.

### C. Foster Grandparents Program (FGP)

#### Purpose

Foster Grandparents Program (FGP) provides grants and technical assistance to establish projects which provide help to children with special needs in health, education, welfare and related areas. Foster Grandparents must be low-income persons who are at least 60 years old.



FGP is meeting definite community needs in a very positive way. Enthusiasm, praise and respect for the volunteers and their work is universal. The emotional needs of institutionalized children are being met to a degree that otherwise would not occur because the institutions themselves lack the staff. Further, the Foster Grandparents not only contribute time and care to the children, but they also provide a mature perspective for the institutions in which they serve.

The purpose of FGP should be expanded to encourage the Foster Grandparents to become advocates for the rights of the children they serve.

### Sponsors

FGP sponsors are usually large state-run or private institutions for handicapped children. Some day-care centers, schools and juvenile centers also sponsor FGP programs. Although the program is supported overwhelmingly, FGP could be strengthened even further if:

- \* ACTION expanded sponsorship opportunities to other groups, agencies and institutions which local communities and neighborhoods define as groups responding to local needs.
- \* Foster Grandparents could work with children in their homes.

In addition, the program would be strengthened if sponsors provided:

- \* Formal recognition to volunteers for the skills they develop and the work they perform.
- \* Public recognition and appreciation to the volunteers.
- \* Professional supervision for volunteers working with children who have special needs and problems.

Community understanding of and participation in the work of sponsoring institutions would be greatly enhanced if FGP advisory boards were formed from community and neighborhood residents.

### Recruitment

There are no problems recruiting FGP volunteers. However, an outreach program needs to be developed that will make low-income seniors more aware of the program and that will result in more men becoming FGP volunteers.

While Foster Grandparents themselves complain about very little, many sponsors and community members felt that ACTION should increase the FGP stipend to match the inflation that has occurred since the program was started.

### D. Senior Companion Program (SCP)

### Purpose

The Senior Companion Program (SCP) provides grants and technical assistance so that low-income people who are at least 60 years old can provide help to the frail elderly in their homes.

SCP is universally praised as being an effective program. Though relatively new and small, it is meeting a desperate and growing need that exists in every neighborhood, town and city in the United States. Changes in the American family have produced our first generation of Americans who are left alone in their old age, and SCP is demonstrating how to keep these people out of institutions.

The purpose of SCP should be expanded to include an advocacy role with the Companions becoming advocates for the rights of the frail elderly.

### Sponsors

The varied group of government agencies and private organizations who are SCP sponsors are performing satisfactorily at this early stage of the program's development. Two changes that would increase the effectiveness of SCP programs are:

- \* Identifying sponsors who will develop SCP programs to reach the more isolated seniors of all ethnic groups.
- \* Supporting sponsors who will be advocates for the rights of senior citizens.

### Recruitment

The comments made with respect to the Foster Grandparents Program also apply to the Senior Companion Program. Low-income seniors should be made aware of the program, more men should be recruited, and the stipend needs to be raised.

## E. University Year For ACTION (UYA)

### Purpose

University Year for ACTION (UYA) is a program that is supposed to provide effective full-time volunteer manpower to work on problems of poverty; combine community service and academic study; encourage university involvement in local poverty communities; administer volunteer projects at the local level through universities; and, institutionalize these programs at participating schools.

Because most UYA programs were not meeting these purposes -- few projects were directed toward low-income and minority communities, and universities often received more benefits than students and communities -- questions were raised as to whether UYA should be incorporated into VISTA or abolished altogether.

If UYA were just another work-study program, then perhaps it would be wise to abolish the program or incorporate it into VISTA, particularly in view of its general ineffectiveness. However, minority students in universities across the country often are excluded from participating in internships and work-study programs. UYA can offer them this opportunity along with the opportunity to draw upon their own background and knowledge in meeting community needs. Providing opportunities for minority students to participate in community-oriented programs is the only reason UYA should continue to exist. If this becomes the purpose of UYA, then the program should be continued.

## Sponsors

The problems of UYA could also be minimized by approaching the sponsorship issue differently. Instead of UYA seeking out universities as sponsors, ACTION should consider establishing a grant pool and then let a university or an individual apply for the grant. This would provide better control over projects and sponsors.

University-sponsors should be carefully selected, and no university that was not accredited or that could not demonstrate a commitment toward the type of work and learning experience that UYA foster should become a UYA sponsor.

## Recruitment

If UYA is going to provide opportunities for minority students to participate in community service-learning programs, UYA must develop a particularly effective program of recruiting and sustaining minority students.

### III. MAKING THE PROGRAMS WORK

#### A. Program Development

As long as ACTION remains an agency without a mission, ACTION also will remain an agency in which an overall approach to planning, evaluation and implementation is not evident. Individual programs perform these functions, some well, some not so well. But because ACTION is currently a caretaker agency for programs that were developed by other agencies, the sum of these parts does not appear to add up to an agency-wide processor system.

Among the more serious deficiencies are:

- \* The absence of a method for defining community and neighborhood needs and identifying groups within those communities who might become sponsors.
- \* The absence of an organized system for placing volunteers in ACTION programs. In VISTA, for example, placement is mostly a body shuffling operation in which little thought apparently is given to matching the skill with the need or to making sure the VISTA is properly trained for both the task and the setting.
- \* Evaluation reports that emphasize numbers and cost-effectiveness instead of the delivery of human services and personal effectiveness.
- \* Program offices that lack the staff and authority to do their job. Program officers should function as consultants and assistants to projects and volunteers. But because they lack the training and the authority, and because the programmatic offices are short-handed, program officer contact with people in the field is limited.

It must be abundantly clear by now that the Citizens Review Committee believes that the primary mission of ACTION should be to provide technical and personal assistance to minority and low-income communities and individuals so that they can mobilize their own resources most effectively. But ACTION has not been this type of agency. Instead ACTION

programs are placed by and large within establishment organizations and meet only minimal or low-priority needs in their communities. Some individual projects are excellent, but most are not making maximum use of ACTION dollars or of volunteer time and skills.

If ACTION is going to be an agency that focuses primarily on providing resources and skills to low-income and minority communities, neighborhoods and individuals, then ACTION needs to devote major amounts of time and energy toward developing a comprehensive and integrated process for planning, evaluation and implementation that:

- \* Develops an affirmative action program to recruit sponsors whose activities already are consistent with the mission of ACTION being proposed.
- \* Includes a system for identifying basic needs to which ACTION can respond.
- \* Requires program officers and sponsors to work together to develop goals and objectives, funding resources, volunteer and supervisor roles and training programs that relate to project needs.
- \* Develops criteria that will result in recruiting and training the kind of volunteers that sponsors need to carry out projects that are consistent with the purpose of ACTION.
- \* Emphasizes qualitative evaluation of programs instead of quantitative evaluation.
- \* Includes some outside evaluation of the agency and its programs.
- \* Plans a continuing role for citizens.
- \* Assigns staff based on who should be performing what function and in what location.
- \* Evaluates staff performance in terms of function.



- \* Develops a more flexible budgeting system that will permit ACTION to change as the needs of communities and individuals change.
- \* Plans to phase out program funding so that new projects can be developed.

## B. Training

ACTION training is seriously deficient for volunteers, sponsors, project supervisors and ACTION State and Regional staffs. It is inadequate in scope, amount and intensity. ACTION does not appear to have an understanding of the many types of training it needs to provide on every level. A serious lack of Training Program planning exists within the agency.

While some small amount of orientation in administrative procedures takes place, the lack of any programmatic orientation at the beginning of service is considered a handicap for participants of all five programs. Orientation, no matter how comprehensive, is no substitute for a well planned training program. ACTION training clearly needs a thorough review, evaluation and restructuring.

### Volunteer Training

VISTA orientation for volunteers has a heavy emphasis on administrative tasks and form-filling. This, coupled with the lack of a clear philosophical orientation about VISTA and its role, leaves volunteers unprepared for their initial on-site experience.

In the Older Americans programs, little ACTION training or orientation was found. If any volunteer training occurred, it was done on-site by sponsors.

UYA volunteers were given little orientation to the purpose of their programs and were unprepared for their site work.

All volunteers are solely dependent on the sponsors to provide orientation in program purpose, project goals, etc., as well as on-site training. While this may not be a bad idea in principle, in reality most sponsors are not adequately prepared by ACTION to meet the training needs of their volunteers.

The following ideas should be considered:

- \* Customize training to account for the variation in projects, settings, volunteers and communities.
- \* Train volunteers on-site or in sites that are similar to the communities where they will be serving.
- \* Use volunteers in training.
- \* Ask VISTAs to design training models.
- \* Train volunteers for specific tasks.
- \* Provide a structured two week to one month period of on-site adjustment and experience before training, followed by a needs assessment done by the volunteer.
- \* Continue the initial orientation volunteers receive, but shift its focus to emphasize the philosophy of the agency and its programs and projects.
- \* Make funds available and easily attainable for flexible in-service training. Funds now available are inadequate and very difficult to use because of red tape.
- \* Use available community training resources.
- \* Use conferences as training mechanisms.

### Sponsor Training

Good training of volunteers is closely related to and dependent upon having ACTION develop a training and technical assistance program for its sponsors.

At present, ACTION gives its sponsors no program orientation. Many sponsors do not have an adequate understanding of the appropriate uses of volunteers relative to the goals of the agency. Consequently, many volunteers feel that they are underutilized or misused by the sponsor.

Furthermore, ACTION does not provide management and supervisory skills training to sponsors. In every program, the citizens saw faltering projects that could have been successful had there been some management training for the site supervisor and/or project directors.

The citizens also commented on the lack of technical assistance to sponsors to help them develop training programs for volunteers.

The following suggestions might ease the problems created by these shortcomings:

- \* Provide orientation to sponsors about ACTION's program purpose and philosophy.
- \* Involve sponsors in volunteer training programs.
- \* Develop resource centers which can provide sponsors with a wide variety of information such as ideas for innovative projects; available local resources; successful and unsuccessful projects; and training ideas.
- \* Provide frequent and regular training in supervisory and management skills.

#### Staff Training

Many of ACTION's sponsor, training and recruitment problems could be eased if adequate training were provided for staff in Regional and State offices. An assessment of the services and support that staff members are expected to provide would be a first step. Continuing reassessment and more advanced training for staff should follow.

#### C. Administration and Support

No agency can exist without paperwork, but ACTION's paperwork requires an unusual amount of time and energy. Sponsors, volunteers and staff complain that ACTION asks them to fill out too many meaningless forms that frequently are not even used once they are completed.

Sponsors who lack skill in proposal writing are at a particular disadvantage because grants often are made solely on the basis of the written proposal. In the same vein, recruitment and placement of volunteers are usually based entirely on information contained in application forms and papers. And when a project is renewed, sponsors must fill out the entire application form again, just as if they were seeking funding for the first time.

ACTION needs to change its administrative emphasis so that the agency supports its programs instead of its bureaucracy. This means developing application forms and reporting systems that are necessary, that provide relevant information and that are easily understood and quick and easy to fill out.

ACTION must also develop an on-going support system that can help volunteers and sponsors with day to day problems such as:

- \* Transportation.
- \* Late payment of stipends and medical bills.
- \* Staff skilled in ways to develop new projects as well as in ways to improve existing ones.
- \* The need for a place to complain and to receive moral support.

Finally, if ACTION is going to be in the business of addressing community and minority needs, the ACTION State offices should get out of the downtown, high-rise office buildings, especially the federal office buildings, and set up offices in the neighborhoods where ACTION programs and volunteers are located.

#### D. Money

Too much of ACTION's limited money is spent on unimportant administrative processes and paperwork. Too little goes to delivery of ACTION's programs. All five programs need more money. At every turn, a lack of funds creates problems.

The stipend for VISTAs should be adjusted to reflect the post-1965 increase in the cost of living. Both Foster Grandparents and Senior Companions also need an increase in stipend.

Not all RSVPs should receive stipends, but more minority and community people would be motivated to join RSVP if stipends were available for people below a certain income level.

A serious problem in RSVP is finding a way to pay for transportation for volunteers. Grants do not provide nearly enough money for this purpose. If transportation money cannot be made available, perhaps RSVP programs could obtain surplus government vehicles.

The cost of health and medical insurance is a vital concern of VISTAs who pay these premiums through payroll deductions. ACTION should try to develop an arrangement that would alleviate this financial burden.

THE WHITE HOUSE  
WASHINGTON

July 25, 1977

Stu Eizenstat  
Peter Bourne

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Jim Fallows  
Tim Kraft

RE: PRESIDENTIAL MESSAGE ON DRUG  
ABUSE



THE WHITE HOUSE  
WASHINGTON

7-24-77

Stu & Peter -

Go over once more.  
Make changes as  
indicated. See ~~&~~ me  
if you have other  
?'s -

J. C.



THE WHITE HOUSE  
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
X	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
X	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
X	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

## PRESIDENTIAL MESSAGE ON DRUG ABUSE

Drug abuse continues to be a serious social problem in America. The lives of hundreds of thousands of people are blighted by their dependence on drugs. Many communities remain unsafe because of drug-related street crime, and the immense profits made in the illicit drug traffic help support the power and influence of organized crime. Among young American men aged 18-24 years, drugs are the fourth most common cause of death: only automobile accidents, homicides, and suicides rank higher. The estimated cost of drug abuse in America exceeds 15 billion dollars each year. Among some minority groups, the incidence of addiction and the harm it inflicts are disproportionate.

Drug addiction, which in recent years was viewed as a problem peculiar to America, now affects people throughout the world. We can no longer concern ourselves merely with keeping illicit drugs out of the United States, but we must join with other nations to deal with this global problem by combatting drug traffickers and sharing our knowledge and resources to help treat addiction wherever it occurs.

We must set realistic objectives, giving our foremost attention domestically to those drugs that pose the greatest threat to health, and to our ability to reduce crime. Since heroin, barbiturates and other sedative/hypnotic drugs account for 90 per cent of the deaths from drug abuse, they should receive our principal emphasis.

7 My goals are to discourage all drug abuse in America -- including the abuse of alcohol and tobacco -- and to reduce to a minimum the harm it causes when it does occur. To achieve these goals with the resources available, effective management and direction are essential. Because the federal effort is currently divided among more than twenty different, and often competing, agencies, I have established the Office of Drug Abuse Policy to coordinate Federal action and to formulate a comprehensive national policy. This Office will end the long-standing fragmentation among our international programs, drug law enforcement, treatment and rehabilitation, prevention, and regulatory activities. I will also seek the counsel and active involvement of members of the Cabinet and heads of major independent agencies on all drug abuse policy questions, through a revitalized Strategy Council on Drug Abuse. The Office of Drug Abuse Policy will cooperate with the Office of Management and Budget in examining the functions of the various agencies involved in this field and in recommending to me whatever organizational changes are appropriate.



International Cooperation

For certain drugs originally derived from plant sources outside the United States, especially heroin and cocaine, diplomatic agreements against cultivation and trafficking are indispensable. Turkey -- once virtually the sole source of heroin supply in this country -- is now gone from the illicit market as the result of such an agreement. The enormous profits generated by the illicit drug traffic distort the economies of many smaller countries, aggravating inflation and draining tax revenues; they also engender corruption and corrode political stability. We must work closely with other governments to assist them in their efforts to eradicate the cultivation of drugs, and to develop legitimate alternative sources of income for the impoverished farmers who have for generations raised and sold crops such as opium.

We have made significant progress in the last few months. In February, I discussed with President Lopez-Portillo of Mexico my deep concern about the illegal cultivation of opium in his country. Under his strong leadership, the eradication program has been intensified and is producing dramatic results, significantly reducing the availability of heroin in many American cities. In addition, President Ne Win of Burma and Prime Minister Thanin of Thailand have shown a resolute determination to control drug cultivation and trafficking in their countries. Most recently, I have received from President Lopez-Michelsen of Colombia assurances of his strong desire to cooperate in curtailing the flow of

drugs between our two countries.

As a result of these efforts and those of the Drug Enforcement Administration, the availability and purity of heroin in our country has dropped in the last six months to one of the lowest levels in recent history.

There is, however, more that we can do:

(1) I am directing the Secretary of State to give greater emphasis to the international narcotics control program and to reiterate to foreign governments our strong desire to curtail production of, and traffic in, illicit drugs.

(2) To this end, I am directing the Administrator of the Agency for International Development to include such measures as crop and income substitution in its development programs for countries which contribute to the illicit drug market. I expect the Secretary of State to continue to call on other agencies and departments, such as the Drug Enforcement Administration, the U.S. Customs Service, the U.S. Department of Agriculture, and the National Institute on Drug Abuse, to assist in the international narcotics control program according to the special expertise of each.

(3) I am directing the intelligence community to emphasize the collection and analysis of information relating to international drug trafficking.

(4) I strongly support the work of the United Nations Fund for Drug Abuse Control (UNFDAC), the United Nations

Commission on Narcotic Drugs, the International Narcotics Control Board, the World Health Organization, and other organizations working within the framework of the United Nations in their efforts to help drug-producing countries find alternate crops, improve drug control measures, and make treatment resources available.

(5) I am instructing the United States representatives to the loan committees of the Regional Development Banks and other international financial institutions to use their votes and influence to encourage well designed rural development and income substitution projects in countries which now produce dangerous drugs, and to ensure that assistance is not used to foster the growth of crops like opium and coca.

(6) Because of the need to improve international controls over dangerous drugs which have legitimate medical uses, like barbiturates and amphetamines, I urge the Congress to adopt legislation implementing the Convention on Psychotropic Substances, and I urge the Senate to ratify this treaty promptly.

(7) In my communications with foreign leaders, I will emphasize international cooperation among drug law enforcement agencies, so that intelligence and technical expertise can be shared. I will encourage them to send law enforcement officials to work with us to stop the flow of drugs through other countries. This kind of cooperation has already begun in Bangkok among French, German, British, Dutch, American and Thai officials.



I will, in addition, promote the international sharing of knowledge and expertise in the treatment of drug abuse. We will make a special effort to share our experience, especially with those nations which have serious drug problems, and which are working with us in the effort to control drug sources and prevent drug abuse. Our program will encompass training, research and technical assistance projects, including providing American experts as consultants.

#### Law Enforcement

We must vigorously enforce our laws against those who traffic in drugs, so that the attraction of large profits is outweighed by the risk of detection and the likelihood of conviction. The Federal Government's job is to deter, and where possible prevent entirely, illegal importation and major trafficking of controlled substances. Often large-scale financiers of the illegal drug trade never come into direct contact with drugs. Through the cooperative efforts of the various agencies involved, we will attack the financial resources of these traffickers who provide the capital needed to support the smuggling of drugs into the country. Drug traffickers must understand that they face swift, certain, and severe punishment; and our law enforcement and judicial systems must have the resources to make this prospect a very real threat. We must allocate our resources intelligently, revise our penalty structure where necessary to concentrate on the actions (and the drugs) that are most dangerous, and improve the administration of justice.

Therefore:

- I am directing the Attorney General to intensify investigations of the link between organized crime and the drug traffic, and to recommend appropriate measures to be taken against these organizations.
- I am directing the Department of Justice in conjunction with the Departments of State and Treasury to <sup>study</sup> develop, consistent with Constitutional requirements, arrangements with other countries to revoke the passports of known major traffickers, and to freeze assets accumulated in the illegal drug traffic.
- To ease the burden on the United States District Courts, which must hear major drug cases, I support legislation widening the jurisdiction of U.S. Magistrates to include all misdemeanor offenses which carry sentences of up to one year.
- In 18 United States Attorneys' Offices, special units devoted to the prosecution of major drug traffickers exist. The Department of Justice is now expanding this program to include additional units.
- I support legislation raising from \$2,500 to \$10,000 the value of property which can be seized and forfeited from drug violators by administrative action, including cash within the definition of seizable property. Amounts above this figure will continue to require court proceedings.

change to  
match  
Senate bill



• I am directing the Office of Drug Abuse Policy to recommend to me the appropriate federal drug law enforcement role in the light of currently available resources -- state, local and federal. For nearly a decade, federal support of state and local enforcement activity has steadily expanded. The time is ripe to evaluate the results of this effort -- to determine whether federal participation should be altered, and to determine the proper division of responsibility between federal and local officials. The Office of Drug Abuse Policy has already begun the first phase of this review, which includes consideration of border security and drug trafficking intelligence.

• I am directing the Attorney General to study the merits of proposals which would deny pre-trial release to certain persons charged with trafficking in drugs posing the greatest threat to health, and to give me his recommendations within 90 days. At the present time, some persons charged with major drug offenses can use their immense wealth to post bail and escape justice. If enactment of such proposals appears to be necessary, their application should be restricted to persons who, for example, have been previously convicted of a felony involving drugs, or are on parole, or are convicted fugitives, or possess a false passport, and it should include a provision granting the accused an expedited trial.

*Shirley  
I would like  
to do as  
much as  
possible to  
stop this  
practice. What  
would be  
consequences?*

*review the adequacy*  
• I am directing the Attorney General to ~~study the need~~  
to <sup>of</sup> ~~increase~~ the penalties for major trafficking offenses;  
and to give me his recommendations within 90 days.

*See also  
do studies  
to measure  
the impact  
of the  
J*  
• I also have considered requesting changes in the Tax Reform Act of 1976. Some of its provisions -- such as those for disclosure and summoning -- were designed to protect the privacy of citizens but may also impede unnecessarily the investigation of narcotics trafficking cases. I am asking the appropriate federal agencies to determine the difficulties these provisions present to effective law enforcement. If it appears they can be amended to improve law enforcement without infringing upon legitimate privacy interests, I will submit

legislation to the Congress.

### Marijuana

Marijuana continues to be an emotional and controversial issue. After four decades, efforts to discourage its use with stringent laws have still not been successful. More than 45 million Americans have tried marijuana and an estimated 11 million are regular users. [Drug laws should be written to discourage drug abuse, but not at the price of undermining respect for the law. Too often, they have reflected moral disapproval and fear instead of reasoned and dispassionate judgment.] Penalties against possession of a drug should not be more damaging to an individual than the use of the drug itself; and where they are, they should be changed. *delete*

Nowhere is this more clear than in the laws against possession of marijuana in private for personal use. [The evidence to date shows that the medical damage done by marijuana as it is used in our country today is minimal, and recent research studies indicate it may have beneficial uses in the treatment of certain types of illness. *delete*

Marijuana has become an established fact throughout our society, and the sky has not fallen.] We can, and should, continue to discourage its use, but this can be done without defining the smoker as a <sup>felon,</sup> [criminal]. [There is incalculable social harm in marking so many Americans with the stigma (or even the risk) of a criminal record.] States which have already removed criminal penalties for marijuana use, like Oregon and California, have not noted any significant increase in marijuana smoking. The National Commission on Marihuana and Drug Abuse concluded five years ago that marijuana use should be decriminalized, and I believe it is time to implement those basic recommendations. *delete*

Therefore, I support legislation amending federal law to eliminate all federal penalties for the possession

. of up to one ounce

of marijuana. This will leave the states free to adopt whatever laws they wish concerning the marijuana smoker. [My hope is that all states will soon follow suit and repeal their criminal prohibitions against these activities, thus bringing to a close an unhappy and misguided chapter in our history.] *delete*

### Drug Treatment

My immediate objective will be to widen the scope and improve the effectiveness of Federal drug treatment programs. In conception and in practice, they have been too narrow. Drug addiction can be cured; but we must not only treat the immediate effects of the drugs, we must also provide adequate rehabilitation, including job training, to help the addict regain a productive role in society. In the past, Federal programs have given disproportionate attention to the heroin addict while neglecting those who are dependent on other drugs.

To improve the quality of Federal drug treatment, I am recommending these steps:

- In recognition of the devastating effects that certain non-opiate drugs can have if abused, I am directing the Secretary of Health, Education, and Welfare to expand resources devoted to care for abusers of barbiturates, amphetamines, and multiple drugs used in combination, including alcohol.
- To help drug abusers return to productive lives, I am directing the Secretary of Labor to identify all Federal employment assistance programs which can help former drug abusers and to give me, within 120 days, his recommendations for increasing the access of drug abusers to them.



. A sustained effort must be made to identify the reasons that people turn to drugs, including alcohol and cigarettes. We should seek more effective ways to make people aware of the health problems associated with such substances (particularly cigarettes and alcohol) and to respond in more constructive ways to the human and psychological needs they satisfy.

#### Drug Research

In the past, there has been no serious attempt to coordinate Federal research on opiates and alcohol despite the many similarities in the effects of these two drugs. A joint Federal research center might not only save money, but also lead to greater scientific understanding of addiction problems. Therefore I am directing the Secretary of Health, Education, and Welfare to study the feasibility of <sup>making</sup> ~~moving~~ the Addiction Research Center ~~[presently located in Lexington, Kentucky, to Washington, D. C., and making it]~~ responsible for coordinated research <sup>on</sup> ~~and~~ a variety of drugs, including opiates, alcohol, and tobacco.

#### Administrative Action

Improved treatment and prevention programs should be accompanied by appropriate changes in Federal regulations, administrative practices, and enforcement, among which are these:

. First, I am recommending a conscious and deliberate increase in attention throughout the Federal Government to the problems related to the abuse of drugs that come originally from legitimate medical sources. Of particular concern are barbiturates, which despite their recognized medical use, are responsible for many deaths

and are frequently used in suicide attempts. The withdrawal reaction of patients addicted to barbiturates can be more difficult and more dangerous than that associated with heroin withdrawal. They are frequently oversold, overprescribed, and overused. Therefore, I will:

-- Instruct the Secretary of Health, Education, and Welfare to undertake a study of barbiturates and other sedative/hypnotic drugs to determine the conditions under which they can be most safely used.

-- Instruct the Secretary of Defense, the Secretary of Health, Education, and Welfare, and the Administrator Veterans' Affairs to review the prescribing practices of physicians under their jurisdiction, and to discourage the medical use of barbiturates and sedative/hypnotics except in cases where it is unmistakably justified.

-- Continue the program, already begun at my direction, by which the Drug Enforcement Administration has instructed its regional offices and regulatory task forces to give priority attention to barbiturate cases. DEA has also begun to investigate the "street" market in order to determine the source of illegal supplies so that suitable Federal action may be taken. In the near future, DEA will conduct a special accelerated audit of the 120 companies lawfully manufacturing barbiturates in this country and will also notify foreign governments of our desire to see them control their barbiturate exports strictly.

- Second, I am directing the Secretary of Health, Education, and Welfare to review those sedative/hypnotic drugs particularly subject to abuse to determine whether any should be removed from the market, taking into consideration not only their safety to the individual but also the dangers they pose to the public at large.

- Third, I support legislation giving the Food & Drug Administration the authority to apply standards of safety and efficacy to all drugs, by repealing those laws which exempt a variety of drugs because they were placed on the market before a certain date. A number of barbiturates fit into this category.

- Fourth, I am concerned about the abuse of drugs which have originally come from legitimate medical sources. Some physicians still knowingly overprescribe a wide variety of drugs. Although, as a result of careful education, physicians have voluntarily reduced their prescriptions for barbiturates by 73 per cent during the last five years, a few are continuing to misprescribe these <sup>and</sup> other drugs deliberately. I am directing the Attorney General, in full cooperation with State officials, to begin a concerted drive to identify and prosecute these violators.



No government can completely protect its citizens from all harm -- not by legislation, or by regulation, or by medicine, or by advice. Drugs cannot be forced out of existence; they will be with us for as long as people find in them the relief or satisfaction they desire. But the harm caused by drug abuse can be reduced. We cannot talk in absolutes -- that drug abuse will cease, that no more illegal drugs will cross our borders -- because if we are honest with ourselves we know that is beyond our power. But we can bring together the resources of the Federal Government intelligently to protect our society and help those who suffer.

\* ~~We can bring together the resources of the Federal Government intelligently to help protect~~ <sup>including</sup> the overwhelming majority of the public who never abuse drugs but for whom it poses the threat of broken families, a lost child or fear to walk the streets at night. ~~///~~ Beyond that, we must understand why people seek the experience of drugs, and address ourselves to those reasons. For it is ultimately the strength of the American people, of our values and our society, that will determine whether we can put an end to drug abuse.

\* JIM FALLOWS believes this sentence  
"is overripe prose of the sort you  
have avoided in previous messages."

# # #

Electrostatic Copy Made  
for Preservation Purposes



PRESIDENTIAL MESSAGE: LEGISLATION CITED

<u>Issue</u>	<u>Status</u>
1. Convention on Psychotropic Substances enabling legislation.	We have received Congressman Rogers' Subcommittee's latest draft. Mr. Rogers has agreed to introduce it, after Administration sign-off, the day of or the day after the Presidential message.
2. Marihuana Decriminalization.	We have supported the Justice Department's position favoring the decriminalization of personal possession of less than 1 ounce of marihuana as embodied in S.601 and H.R. 432 "The Marihuana Control Act of 1977".
3. Proposal to allow FDA to review drugs on the market before 1938.	Congressman Rogers has introduced a bill to allow this (H.R. 1603)
4. Proposal to widen magistrates jurisdiction to handle certain cases.	Two bills (S.1613 and H.R. 7493) have been introduced to do this. The Department of Justice has supported these measures.
5. Raising the value of property which can be seized by the government through administrative channels from \$2,500 to \$10,000.	Three bills are now pending in the Congress which would do this (S.850, H.R.2462 and H.R.3299). They are not Administration bills and include provisions instituting mandatory minimum sentences. We may wish to make a separate Administration proposal.

TAB A  
Eizenstat comments

THE WHITE HOUSE  
WASHINGTON

ACTION

July 7, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Message on Drug Abuse

Peter Bourne's draft Presidential message on drug abuse dated July 1, 1977 reflects many of the comments made by the Departments, OMB, and the Policy Staff. This memorandum seeks your guidance on the points of difference which still remain.

1. The original draft directed the Justice Department "in conjunction with the Departments of State and Treasury, to develop, wherever possible, cooperative arrangements with other countries to revoke the passports of known major traffickers, and to freeze assets accumulated in the illegal drug traffic." The Justice Department thought this proposal raised substantial constitutional and civil liberties problems. If a "known" trafficker need not have been convicted (as is apparently proposed), opportunities for serious abuse are clear.

The revised message retains the paragraph but states that the cooperative arrangements must be "consistent with constitutional requirements." The Justice Department now takes no position on whether this paragraph should be in the message.

Recommendation: My recommendation is to delete this paragraph.

-- Under our constitution, I do not believe the government can revoke passports or freeze assets except under circumstances where such measures are already permitted - e.g., to prevent flight of a defendant prior to trial.

-- Nations which do not have our constitutional guarantees may be able to revoke passports. However, in light of your human rights commitment, I do not believe that we should suggest that other nations adopt measures which are unconstitutional here, particularly since there are clear dangers of abuse.



-- Even if passport revocation and freezing of assets is worthy of further study, I do not believe the study should be proposed by you in this drug message. Given the serious civil liberties problems, it makes more sense for the Justice Department to initiate such a study, in a low-key way, if it wishes to do so.

Bob Lipshutz's office agrees that this paragraph should be deleted (as do Brzezinski and Fallows; see p. 5\*\*).

       ☒ Retain paragraph *amended*  
       ☐ Delete paragraph (recommended)

2. The message directs the Attorney General "to consider the merits of measures denying release prior to trial" for certain serious drug trafficking offenders. OMB points out that this preventive detention proposal raises serious constitutional and civil liberties issues. The Justice Department states that<sup>a</sup> proposal to recommend preventive detention is now being considered at the level of Deputy Attorney General. It takes no position on whether a reference to the proposal should be included in the message.

Recommendation: I recommend that this paragraph on preventive detention be deleted. The Justice Department is already studying the issue. I do not see why you should be out in front of the Justice Department in suggesting a proposal which raises serious civil liberties problems.

Bob Lipshutz's office concurs (as does Fallows; see p. 5\*\*\*).

       Retain preventive detention paragraph *How much can we do?*  
       Delete preventive detention paragraph (recommended)

3. The message states that "we will also consider increasing the penalties for major traffickers." The Justice Department points out that the maximum penalties are already high and that, therefore, the message seems to be hinting at the possibility of mandatory minimum sentences. The Justice Department generally opposes mandatory minimum sentences and would prefer that the message simply direct the Attorney General "to review the adequacy of the present penalty structure."



Recommendation: During the campaign, you favored more definite sentences, with less judicial discretions ("We must make sentencing swift and sure and more uniform for a given crime", October 15, 1976, Detroit) but not directly support mandatory minimum sentences. These sentences are highly controversial and a drug message is not the proper place to hint at them -- certainly not before -- the Justice Department has made its own recommendations in this area. I believe the sentence on penalties should be revised as the Justice Department suggests.

Bob Lipshutz's office concurs.

- ☐ Retain reference to increased penalties
- ☒ Modify reference to penalties (recommended)

4. The message states that you "support legislation widening the jurisdiction of U.S. Magistrates to include all misdemeanor cases of up to one year." This is far broader than the legislation endorsed by the Attorney General (S. 1613) which widens the jurisdiction of U.S. magistrates only with the consent of the court and the parties.

Recommendation: Since the magistrate legislation is controversial, I recommend that the language of the message more closely track S. 1613.

Bob Lipshutz's office concurs.

- ☐ Retain present language on magistrates
- ☒ Modify present language on magistrates (recommended)

5. Both HEW and DOT suggest inclusion of sentences concerning the possible effects of marijuana on driving safety. DOT recommends, in addition, that the message ask "the Secretary of Transportation to expedite his Department's efforts to determine the effects of drug use on highway accidents and to evaluate appropriate highway safety measures if warranted."

Recommendation: I see no harm in mentioning the possible adverse effects of marijuana use on driving or in calling for an expedited DOT study.

- ☐ Leave message as is
- ☒ Add reference to marijuana and driving (recommended)
- ☒ Add request for expedited DOT study (recommended)

6. The message talks about your establishment of the Office of Drug Abuse Policy to coordinate federal action and to formulate comprehensive national policy. Careful consideration should be given to the extent to which the work of this office should be mentioned, in light of the Executive Office of the President study by OMB which recommends that the Office be terminated at the end of one year.

- ☐ Leave message as is  
☒ Delete reference to ODAP

*Leave sentence about  
reorg - delete specific  
reference to ODAP*

7. I am very concerned about the marijuana section of this message. This will certainly be the headline story in the message. While during the campaign you talked about the decriminalization of federal laws dealing with marijuana, you also stressed the need for civil penalties for possession of small amounts (September 3, 1976, Plains, Ga.) The point of decriminalization is not that its use should be encouraged but that civil penalties are more appropriate. Unfortunately, there is no mention of civil penalties in the message.

You also indicated in the campaign that you wanted to place heavy emphasis on punishing the "pushers" of hard drugs (September 3, 1976, Plains, Ga.) The message contains no reference to pushers of marijuana.

In general, I believe the section on marijuana is written in an almost laudatory tone, which I believe is unfortunate. Sentences such as "marijuana has become an established fact throughout our society, and the sky has not fallen", "research studies indicate it may have beneficial uses in the treatment of certain types of illness", and a suggestion that the states should repeal their criminal prohibitions "thus bringing to a close and unhappy and misguided chapter in our history" almost seem to be a positive recommendation of the drug.

Further, I would disagree with the statement that "the evidence to date shows that the medical damage done by marijuana as it is used in our country today is minimal." From what I have seen, the studies on medical damage are very mixed, some indicating the contrary. During the campaign you said, "I don't approve of the use of marijuana. The medical effects of persistent use of marijuana still concern me very much."



When you were asked if you thought the use of marijuana is more harmful than liquor, you said, "I think so. I can't say for sure. One of the bad things about marijuana is that quite often it's used in an environment consistent with much more habit-forming drugs. I don't think there's any evidence that marijuana is habit-forming, but no adequate study of marijuana's final effects has yet been conducted." (September 3, 1976, Plains, Ga.)

☐ Leave message as is

☒ Modify references marijuana as indicated above

8. I question the proposal to move the Addiction Research Center in Kentucky to Washington, D.C., certainly without full consultation with the Governor of Kentucky and the Kentucky Congressional Delegation. It would seem to me that the additional functions could be added to the Center while keeping it in Kentucky.

☐ Leave message as is

☒ Remove this statement until further consultation takes place

Before this message is delivered to Congress, Peter, Frank Moore and I should follow over regular practice of briefing key Congressional leaders. Because of the international aspects of Peter's proposals, the N.S.C. should comment.

OTHER STAFF COMMENTS:

\*\* As noted on p. 2 of Stu's memo, Brzezinski concurs with Stu that the paragraph in the message on suspension of passports should be deleted. "This is a much vexed constitutional issue; this kind of brief reference will do more harm than good. The President should certainly not be put in the position of telling other governments to do something that may violate their legal procedures." NSC also doubts Bourne's statement that the passports of terrorists are revoked.

\*\*\* As noted on p. 2 of Stu's memo, Fallows concurs with Eizenstat that it would be unwise to revoke the passports of "known major drug traffickers," as this may be at odds with your human rights policy. Also, Fallows believes there is little to gain and much to lose by announcing that the Attorney General will study denying pre-trial release for some drug traffickers - mentioning this now would alarm civil liberties groups without a corresponding gain.

TAB B  
Bourne rebuttal



THE WHITE HOUSE

WASHINGTON

July 7, 1977

MEMORANDUM TO THE PRESIDENT

FROM: Peter Bourne *P.B.*

SUBJECT: Drug Message

The attached draft of the drug message has incorporated all comments and suggestions from the agencies and departments concerned. Although all relevant cabinet officers have endorsed all provisions of the message certain people including Joe Onek, Jim Fallows, and some individuals in OMB have expressed strong feelings about certain specific issues. Although they are willing to let me override them, they are emotional issues that I wanted to draw to your attention so that you could make the final decision as to whether you wish to include them.

(1) Revocation of passports. (page 7) The Drug Enforcement Administration states that this has proven one of the most effective ways to reach major traffickers in order to prevent them from fleeing judicial proceedings and avoiding justice. Other countries will cooperate with us in implementing this program. Traffickers should be placed in the same category as international terrorists upon whom this restriction is now imposed.

The primary objection raised by several people is that this might seem to be in conflict with your human rights statements guaranteeing people freedom of travel.

(2) Pretrial detention. (page 8) You are directing the Attorney General to study the merits of proposals which would deny pretrial release to certain persons charged with serious trafficking offenses. Prosecutors and enforcement agents say that this procedure would prevent some major traffickers from escaping trial and eventual conviction because they have the financial resources to post bond and leave the country. At the present one out of 2 major traffickers never make it to trial. Procedural safeguards would be included in any proposal to ensure due process.

Joe Onek and Tred Davis in particular are concerned about the constitutional aspects of denying bail. It is however, acceptable to the Justice Department.



MEMORANDUM TO THE PRESIDENT  
FROM: Peter Bourne  
SUBJECT: Drug Message

(3) Disclosure and summoning provisions of the Tax Reform Act. Representatives from the Department of Justice and others agree that these provisions will seriously inhibit the investigations of individuals such as drug traffickers who violate not only the tax laws but also other laws. The use of tax-related information has in the past been an effective tool to reach these criminals. In the Message, you highlight the need for protecting privacy interests but request the undertaking of a study of the potential difficulties the tax laws may present.

The objections from several people center around the potential for abuse of the IRS returns as occurred in the Nixon years.

I firmly believe that inclusion of these three provisions is necessary to underline the need for effective enforcement efforts against drug traffickers. It ensures that the Message will be balanced, recognizing the importance of the international, the treatment and rehabilitation, and the enforcement aspects of the problem. I do not want it to look as though you are being soft on traffickers.

Jim also suggest we delete the following phrase from the last paragraph of the Message: "We can bring together the resources of the Federal government intelligently to help protect the overwhelming majority of the public who never abuse drugs but for whom it poses the threat of broken families, a lost child, or fear to walk the streets at night." This phrase states that drug abuse affects not only addicts but others. If we can relate drug abuse to the concerns of the average citizen, we will have a far greater impact on the public and show our concern for the welfare of the non-drug abuser who is touched by this problem, thereby hopefully gaining his support for our efforts. The prose may be over-ripe as Jim suggests, but I would like to retain the intent.

We need to decide a mechanism with which to deliver this message. I suggest a meeting of the Strategy Council, at which you would release the statement and charge the members of the Cabinet with their specific tasks.

PGB:ss

---

CONFIDENTIAL ATTACHMENT  
ENCLOSED

THE WHITE HOUSE  
WASHINGTON

July 25, 1977

EYES ONLY

The Vice President  
Midge Costanza  
Stu Eizenstat  
Hamilton Jordan  
Bob Lipshutz  
Frank Moore  
Jody Powell  
Jack Watson

RE: CABINET SUMMARIES

The attached was returned in the  
President's outbox today and is forwarded  
to you for your information.

Rick Hutcheson



THE WHITE HOUSE  
WASHINGTON

*Handwritten signature/initials*

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to
	Carp/Huron within
	48 hours; due to
	Staff Secretary
	next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

9

MEMORANDUM TO: THE PRESIDENT

FROM: Jane Frank *Jane*

July 22, 1977

RE: Proposed Agenda for Cabinet Meeting  
Monday, July 25, 1977

(Cabinet Members and regular attendees have been alerted that the meeting will begin at 9:30 a.m.)

1. Comments on your opening remarks to the 67th Annual Conference of the National Urban League (to be delivered immediately prior to the Cabinet meeting);
2. Summary of your trip to South Carolina, Mississippi, and Louisiana;
3. Report on the visit of Israeli Prime Minister Begin. Italian Prime Minister Andreotti arrives tomorrow;
4. Comments from Cabinet members.

CC: The Vice President

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

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MEMORANDUM TO: THE PRESIDENT

FROM:

Jane Frank

*Jane*

July 22, 1977

RE:

Summaries for Week of July 18 - 22, 1977;  
Miscellaneous Items

I am transmitting summaries received from the following:

Agriculture	Interior (no news to report)
Commerce	Justice
CEA	Labor
Defense	STR
GSA	Transportation
HEW	Treasury
HUD	UN

Also attached are memoranda from:

--Mike Blumenthal on Senator Byrd's suggestion about inviting Senators to Camp David; and on a news "mis-report" of his statements on tax reform.

-- Griffin Bell, in response to your question, on the scope of his investigation of the steelworkers' election. (I have not forwarded his attachment.)

Stu reports that you told the Privacy Protection Study Commission that you would distribute their study and final recommendations at the next Cabinet meeting. We thought it would be easier to send those documents to each Cabinet member and have done so.

CC: The Vice President

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# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Blumenthal to The President (1 page) re: Tax Reform Program	7/21/77	A
memo	From Blumenthal to The President (3 pp.) re: Highlights of Treasury Activities	7/22/77	A
memo w/att.	From Frank Press to The President (7 pp.) re: Approval to Launch Nuclear Power Devices into Space/ enclosed in Hutcheson to Press 7/25/77	7/19/77	A

## FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres.  
Handwriting File 7/25/77 Box 42

## RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.





THE PRESIDENT HAS SEEN.

PRIORITY

THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

1977 JUL 21 PM 7 30  
July 21, 1977

C

MEMORANDUM TO THE PRESIDENT

I am well aware of your injunctions, ~~as~~ reiterated in your margin comment re the report on my tax reform statements in the Wall Street Journal. The best I can do in my defense is to recall your own frequent comments that there is no telling what the media will mis-report about what one is saying.

The comment in question mis-reports me as predicting that deferral of foreign source income will not be affected. Of course, I did nothing of the kind. I did compare deferral to DISC, mentioning that there were few good arguments for the latter, but that the issue was more complicated with regard to the former. I also hastened to add that no decision had been made by you on either of these two issues (nor on any others). As you can imagine, I would not easily predict that deferral will stay, knowing that you had just asked me to include its elimination as an option in our program.

In all my public statements, I try to avoid specific predictions on any aspect of tax reform. I do talk about the various options because this kind of public discussion seems to me essential. It engages the public and various interest groups in focusing on tax matters so that our actual recommendations will not come as an undue shock to them.

Incidentally, the Wall Street Journal called us to apologize for their gaffe. Unfortunately, I can't promise that the same thing won't happen in the future, but I will do my best.

Mike

W. Michael Blumenthal

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DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

1977 JUL 22 PM 2:11  
July 22, 1977

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MEMORANDUM TO THE PRESIDENT

THROUGH Jack Watson  
Secretary to the Cabinet

SUBJECT: Weekly Report

FARM BILL. Chairman Foley has done a remarkable job in holding the line thus far. All indications suggest an acceptable Bill will come out of the House.

BEEF. Meat imports from Costa Rica have reached 82.6 percent of their voluntary restraint level for 1977. USDA, by law, must now initiate action to bar imports above this level. We can, with State and STR, consider an upward adjustment by allocating shortfalls from other countries to them or assigning Costa Rica a portion of this year's unallocated reserve. Either action would require agreement by other exporting countries. Action must be within the context of Mrs. Carter's talks in San Jose. Should total meat imports exceed the total voluntary restraint levels, the domestic industry will scream.

The dangerous and potentially explosive concentration of beef supplies continues with the formation of a cooperative in Washington State and Idaho made up of their six largest feedlots. The coop has signed an agreement with a subsidiary of Iowa Beef Processors to provide 70 percent of IBP supplies. To head off actual price fixing and charges of market control, experts from USDA's Marketing Service are working with our Packers and Stockyards Commission to develop reporting procedures with appropriate penalties for false information. This business arrangement will also add to the increasing criticism of coops.

GRAIN INSPECTION. We estimate the average cost of the Federal program at one-half cent per bushel, well below industry estimates.

The Marketing and Grain Inspection Services have reduced the estimated man-hour public reporting requirements by 17 percent.  
(OMB goal: 5 percent)

  
BOB BERGLAND

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July 22, 1977

1977 JUL 22 PM 5 5 "FYI"

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## REPORT TO THE PRESIDENT

Salmon Fishing Controversy Update

Three weeks ago, Secretary Kreps reported to you on this situation and on Anne Wexler's efforts in Seattle to gain acceptance of Federal enforcement of Indian treaty fishing rights. Now three weeks into the salmon fishing season, we are heartened by the constructive attitudes being demonstrated on this matter. It is particularly significant that representatives of the five major non-Indian commercial fishery associations announced on Wednesday that they would urge their members to obey the law during this Puget Sound fishing season. This action gives the Fisheries Task Force (Commerce, Justice, Interior) a real opportunity to work for a long-term and equitable solution to the problems in this area. The associations' representatives stated that this did not mean they were accepting the 1974 decision by Federal Judge Boldt, which they still believe to be wrong, and that they had no authority over the actions of individual fishermen. However, their action has helped create an atmosphere for meaningful discussions between Indian and non-Indian groups. While the potential for confrontation continues, we have been able to reduce the number of Federal vessels and employees committed to law enforcement in this situation.

Local Public Works Status

Yesterday, the Department approved the first group of the almost 8,000 individual LPW construction grants which will be awarded within the next two and a half months. Among the first 15 grants were two for communities with populations under 2,500, as well as grants for New York City and Philadelphia.

Other Assistance Activities

The Department is working closely with other Federal agencies to provide a coordinated Administration response to problems arising from the New York City blackout and the halt of production on the B-1 bomber. In the first case, our staff has been working with Mayor Beame's office and concerned Congressional parties; EDA expects to issue an initial technical assistance grant of approximately \$1 million to New York City early next week. With regard to the B-1 situation, a \$100,000 EDA grant to the State of California was approved this week. This grant will support State and local efforts to develop a coordinated economic adjustment strategy for the areas involved, keyed to the effective utilization of State and local government resources, as well as those of the private sector.





#### Budget Consultations with Public Officials

In keeping with your desire to consult with State and local officials during preparation of the 1979 budget, Secretary Kreps and I, along with key staff members, will be meeting next Thursday with representatives of the National League of Cities and the Mayors' Conference. The discussions will focus on the new ZBB process and the general directions of Commerce programs that have an impact on cities. In particular, advice will be sought on how such programs can be made more responsive to urban needs.

#### Effect of Alaskan Pumping Station Explosion on Shipping

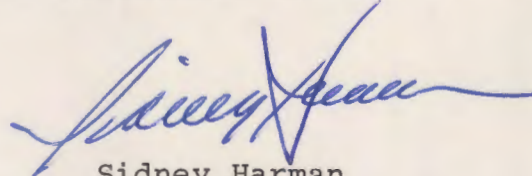
Prior to the recent pumping station explosion, it was anticipated that 1.2 million barrels a day would start flowing through the Alaskan pipeline in August. U.S. tanker chartering was guided by the expectation that about 500 thousand barrels a day would be shipped to the Gulf Coast via Panama, starting in August, with the remainder being shipped to the West Coast. Now it is unlikely that this flow rate will be achieved until about the the first quarter of 1978. With an expected interim flow rate of 800,000 barrels a day, much of the tanker tonnage already chartered will be surplus as most of the reduced flow will go to West Coast ports. This will entail considerable losses to the charterers.

#### Small Business Legislation

This week, Assistant Secretary Weil underscored the Department's concern for the needs of small businesses in testimony on the Small Business Economic Policy and Advocacy Reorganization Act of 1977 (introduced by Senators Humphrey and McIntyre). The Department endorsed the intent of the bill to raise consideration of small business needs to the highest levels of program and policy development, and supported in principle the creation of an interagency mechanism to improve cooperation on small business matters among Federal agencies. We withheld support for a specific provision of the bill establishing such a structure, pending Executive reorganization decisions in this area.

#### Minority Business Enterprise

Next Thursday, OMBE Director-designate Blackwell and I will meet with interested parties from the Senate and House on past problems and future prospects for the Office of Minority Business Enterprise. EDA is working on ways to address the difficult problems anticipated in the ten percent set-aside in the LPW Program for minority businesses. Both of these actions can be supportive in strengthening our commitment to effective government efforts for minority business enterprise.



Sidney Harman  
Acting Secretary

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

July 22, 1977

977 JUL 22

PM 3:30

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MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze <sup>CLS</sup>

Subject: CEA Weekly Report

Testimony. I appeared this week before the Budget Committees in the Senate and House to discuss the state of the economy and the outlook through 1978. The reception was cordial, and I encountered little disagreement over the outlook from the members of the Committees.

Ongoing Projects. Most of my staff have been absorbed in work on several ongoing Administration projects. We have been deeply involved in the discussions on the welfare reform proposals that are to come to you shortly. In preparation for our next meeting with you on tax reform, we are examining the various alternative investment incentives that have been proposed to you. We are also reviewing the Treasury proposals for personal tax reform.

Regulatory Reform. A memorandum on reform of OSHA has been hammered out by an interagency group including CEA. The final memo reflects, in my view, a considerable expansion of the mandate of this task force beyond that originally approved by you. By itself, that's O.K. But the progress of the task force will have to be monitored closely to insure that the reforms relating to economic incentives receive thorough consideration.

Steel Prices. On Thursday, I called a small group of reporters into my office to issue a statement on the price increase reported by U.S. Steel. The statement reflected my conversations with you and with Mike Blumenthal and Bert Lance on Thursday morning. My staff coordinated with Jody Powell in arranging the briefing, and Jody received a copy of the statement as soon as it was ready. Thus far, reaction to our comments has been muted. With the help of the Council on Wage and Price Stability, I hope to develop for your approval a set of plans and strategy to handle such situations in the future.

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Energy Policy. My staff is in regular contact with Jim Schlesinger's staff on developments on Capitol Hill affecting our energy program. We are also working with other agencies on issues surrounding the proposed Alaskan gas pipeline. This week, in addition to our routine work on energy matters, we analyzed proposals to use revenues under the program to finance mass transit projects or help states maintain their highway systems.

Monetary Policy. We are watching the money markets closely for any signs indicating what decisions were made at the Fed's Open Market Committee meeting last week. We will provide you on Monday with a memo containing talking points for our lunch with Arthur Burns on Tuesday.



THE PRESIDENT HAS SEEN.

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410

July 22, 1977

C

MEMORANDUM FOR: The President

SUBJECT: Weekly Report of Major Departmental  
Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development.

HUD Moves Quickly in Pennsylvania Flood Disaster. The Department has already begun preparations to aid victims of Wednesday's Johnstown flood. Officials from FDAA, the Office of Housing, and the Office of Neighborhoods, Voluntary Associations and Consumer Protection were in the area on Thursday to appraise damage and develop plans to assist the victims. HUD employees with experience in disaster relief have been alerted for duty. I held a meeting of top disaster personnel in my office this morning for the purpose of ensuring an effective, coordinated response to the Johnstown tragedy.

Assistance Offered to Victims of New York City's Disorders. Vacant houses and apartments from the HUD inventory of acquired properties have been made available to the estimated 425 families rendered homeless by the recent power failure and resultant disorders. The families may remain in the HUD-owned units until their homes are repaired or until substitute housing can be obtained. In addition, we have announced a special allocation of Section 8 housing units that will be available for those requiring permanent shelter.

HUD also has issued a news release reminding New York City residents and businessmen holding Federal Crime Insurance policies to file claims as soon as possible. We estimate that insurance claims under the Federal Riot Reinsurance program will range from \$30 to \$50 million and that there will be up to 2,000 claims totaling as much as \$5 million under the Federal Crime Insurance program.

HUD's Section 8 Programs Receive Positive Evaluations. The Department has received preliminary information on the findings of three contractors evaluating the Section 8 New Construction program. Among the findings are the following:

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- o Processing time has been reduced significantly since the program was first implemented.
- o Sponsors expressed the opinion that Section 8 projects were being located in neighborhoods with property values at or above the average for the rest of the community.
- o Section 8 projects are generally small, averaging between 65 and 100 units. Buildings for the elderly tend to be larger than the average while family projects generally contain fewer units.
- o A significant number of projects are being located in small, largely rural communities where the housing market is experiencing little or no growth.
- o The structural characteristics of Section 8 projects differ widely from the popular image of an urban high-rise project.

Similarly, preliminary findings indicate that the Section 8 Existing Housing program is well regarded by public housing authorities, assisted families, and participating landlords. Of the participating families surveyed as part of the evaluation report, 71 percent stated that they were more satisfied with their present units than with their previous units. The families that moved under the program tended to improve the space and quality of their housing. Landlords participating in the program naturally want higher rents, but in most cases have rented units at or below the Fair Market Rents. The Housing Quality Standards utilized by the Public Housing Authorities were found to be reasonable by the landlords, with repairs required by the Authorities on 27% of the units. Nearly all participating landlords had never previously participated in government housing programs, but indicated they would participate again in Section 8.

  
Patricia Roberts Harris

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## Office of the Attorney General

Washington, D. C. 20530

July 22, 1977

217 JUL 22 9 11 AM '77

Re: Principal activities of the Department of Justice for the week of July 18 through 22

### 1. Meetings and Events

On Monday, the Attorney General administered the oath of office to M. Carr Ferguson to be Assistant Attorney General in charge of the Tax Division. The Attorney General testified on Tuesday before the Senate Select Committee on Intelligence regarding the Foreign Electronic Surveillance Act. On Tuesday night the Attorney General spoke to the Y-Group, a symposium consisting of prominent businessmen from across the country. The Attorney General departed Tuesday night for London, England and on Wednesday lunched with the Honorable Samuel Silkin, Attorney General for England and Wales. On Thursday and Friday the Attorney General participated with a number of English and American judicial officers and private attorneys in a two-day conference on Anglo-American exchange on appellate procedures at Ditchley House, Oxford, England. Assistant Attorney General for Civil Rights Drew S. Days addressed the Operation PUSH Convention in Los Angeles Friday. The Assistant Attorney General in charge of the Antitrust Division, John Shenefield, testified before the Senate Judiciary Subcommittee on Anti-trust and Monopoly concerning the effect of the recent Supreme Court decision in Illinois Brick on several pending large government antitrust cases.

On Tuesday the Deputy Attorney General convened a meeting with representatives from each involved Federal agency to formulate plans and procedures for detection, prosecution and prevention of white collar crimes against the government. A redraft of a proposed message on organized crime was delivered to Mr. Lipshutz and Mr. Eizenstat on Friday afternoon from Mr. Civiletti, Assistant Attorney General in charge of the Criminal Division.

### 2. Task Force on Sex Discrimination

Ms. Stewart B. Oneglia, an attorney who served on a Governor's commission that helped implement the Equal Rights Amendment in Maryland, Tuesday was named director of a new Task Force on Sex Discrimination in the Civil Rights Division

of the Department of Justice. The task force will review and recommend revision of all federal laws, regulations and policies that could involve sex discrimination.

### 3. Legislative Report

With only short time remaining prior to the August recess of Congress, the Department desires to apprise the President of the status of certain legislation in which it has a principal interest:

Magistrates -- The Senate passed unanimously Friday the Department's bill to increase the use of magistrates in the federal courts. The legislation increases civil and criminal jurisdiction for magistrates and should be a significant step toward relieving serious trial court backlogs in the federal court system. Hearings are expected to be held in Chairman Kastenmeier's subcommittee of the House Judiciary Committee in the fall.

Judicial Tenure Act, S. 1423 -- Despite the Department's endorsement of this bill, Senator DeConcini, the chairman of the Senate Judiciary Subcommittee, has decided not to try to push the bill during this session of the Congress. He plans to hold one day of hearings this fall and will try to move the bill early in the second session of this Congress. Apparently Senator DeConcini is worried about risking an early defeat for the measure before sufficient support has galvanized. To date, the "liberal" members of the Senate Judiciary Committee have not given any indication as to how they stand on the bill.

Lifting Visa Restrictions on Visiting Communists, H.R. 6689 -- The Senate-passed version of this foreign relations authorization bill contained a provision which would eliminate visa restrictions on visiting alien Communists, unless the Attorney General, through the Secretary of State, certified in writing that the alien was a threat to U.S. security. A conference to reconcile the House and Senate versions met on July 21 and the Senate conferees acceded to an amendment which made the aforementioned certification process discretionary on the part of the Secretary of State and the Attorney General. In effect the measure was



reduced to a "sense of the Congress" resolution. The Senate proponents of the original version were convinced by the House conferees, chiefly Congressman Buchanan, that the House would never accept the original version and that the resultant defeat of the provision would harm the image of the U.S. with respect to our compliance with the provisions of the Helsinki Conference's "Final Act."

Omnibus Judgeship Bill -- The House version of the omnibus judgeship bill, H.R. 7843, was scheduled for mark-up by the full Judiciary Committee on July 26 but it now appears that it will be put over until after the August recess. Congressman Seiberling is expected to offer an amendment which would require the President to establish guidelines for the merit selection of district court judges. In addition, an amendment which would split the Fifth Circuit may be introduced by Congressmen Wiggins and Flowers. A similar provision which would split the Fifth Circuit is already contained in S. 11, the Senate-passed version of the omnibus judgeship bill.

Lobbying -- The House Judiciary Subcommittee on Administrative Law and Governmental Relations concluded mark-up on July 20 on H.R. 1180, the Public Disclosure of Lobbying Act. The Subcommittee is expected to introduce a clean bill within the next few days. It will not contain provisions covering executive branch contracting, but this subject is likely to be considered in the full committee. The Department is scheduled to testify on S. 1785, the Senate version, on August 2 before the full Senate Governmental Affairs Committee.

Institutionalized Persons -- The House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice has scheduled mark-up on H.R. 2439 for August 2-4. On the Senate side mark-up is not expected until after the August recess.

Prisoner Exchange Treaties -- The Senate approved on July 19 the treaty between the U.S. and Canada on the Execution of Penal Sentences. The comparable treaty with Mexico was also approved. The implementing legislation, S. 1682, is expected to be reported out of the Senate Judiciary Subcommittee on Penitentiaries and Corrections Friday.

Indian Claims -- The conferees met on S. 1377, to extend the statute of limitations on Indian claims and agreed to a compromise between the House and Senate versions. The agreement would extend the statute of limitations to April 1, 1980. The Senate and House have not yet acted on the conference report.

Justice Appropriation Bill -- On July 19 the Senate agreed to the conference report on the Department appropriation bill, H.R. 7556, clearing the measure for the President. It contains the so-called Myers amendment prohibiting use of DOJ funds to implement the President's pardon programs for draft evaders.



THE WHITE HOUSE  
WASHINGTON

July 25, 1977

The Attorney General

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

RE: SECRETARY OF LABOR'S DISCRETION  
UNDER LAW AS TO SCOPE OF  
INVESTIGATION FOR SADLOWSKI  
COMPLAINT.

THE WHITE HOUSE  
WASHINGTON

cc Bell

THE PRESIDENT HAS SEEN.



Office of the Attorney General

Washington, D. C. 20530

JUL 22 1977

AC Griffin  
Isn't there an  
option in the degree  
of effort?  
J

MEMORANDUM FOR THE PRESIDENT

At the June 22 Cabinet meeting you asked me to look into the question whether the Secretary of Labor has any discretion under law as to the scope of the investigation he must conduct in response to the complaint filed by Ed Sadlowski, the losing candidate in the recent steelworkers' national election. The Secretary of Labor is required by statute to investigate allegations of misconduct in union elections to determine whether there is probable cause to believe that violations have occurred which may have affected the outcome of the election.

If the Secretary finds such probable cause, he is required to file a civil action on behalf of the loser of the election and pursue that action to judgment. This is the exclusive means available to a member of a labor union who wishes to challenge the election; he cannot bring suit in any court or institute any other form of administrative action to review the election results.

The Secretary's decision not to bring a civil action in response to such an allegation of election misconduct is subject to judicial review, and in order to prevail the complaining party must satisfy the court that there is no basis in fact for the Secretary's decision not to institute court action. Thus, while the Secretary does have a certain amount of discretion under law as to the scope of his investigation, his exercise of that discretion will be subject to court review. I am attaching a memorandum of the Office of Legal Counsel explaining in more detail the legal basis for this conclusion.

Griffin B. Bell

Griffin B. Bell  
Attorney General

Attachment

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THE PRESIDENT HAS SEEN.

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

"FYI"

July 22, 1977

①  
/

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, RAY MARSHALL RM.

SUBJECT: SIGNIFICANT ACTIVITIES - July 18-22

LEGISLATION

Youth Bill

The Conference Report on the youth bill passed the House on July 19 by a vote of 368-66 and the Senate passed it on July 21 by voice vote.

We are tentatively planning a signing ceremony for the week of August 1. Also, my staff has been working on the planning for an OECD ministerial level conference on youth employment. It will be held around the end of the year.

Minimum Wage

As I reported to you on July 20, the House Committee on Education and Labor ordered reported the minimum wage bill containing the compromise to increase the minimum wage. The only provision representing a problem for the Administration is the one on the tip credit. We will communicate our opposition to any change in the tip credit. House floor action is expected on July 27 and the Senate will start hearings on July 28. I will be testifying before the Senate Labor Subcommittee. We expect Congress to complete action on the bill before the end of the session. The most serious problem appears to be the introduction on the House floor of a youth sub-minimum. We will work actively against this amendment.

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### Labor Law

On July 19, Senator Williams and Congressman Thompson introduced identical bills reflecting your message on labor law reform. I will be testifying before the House Subcommittee on July 25. In order to coordinate a strategy on the legislation, I will be meeting shortly with organized labor and key members of Congress. Our goal is to minimize the emotionalism that could easily surround this issue.

### UNITED MINE WORKERS

On Thursday the International Executive Board of the UMW voted to approve the certification of Arnold Miller as President. Although Patterson can still file an election complaint with the Department of Labor, this action by the IEB represents a significant step towards stabilizing the internal affairs of the UMW. I am continuing to follow the coal situation carefully and will keep you apprised.

### NEW YORK BLACK-OUT ASSISTANCE

On Saturday morning, I will be in New York with Mayor Beame to make an unannounced tour of the impacted areas and to hold a press conference announcing the Administration's plan for assisting the city.

### EMPLOYMENT AND TRAINING

To encourage active private sector participation in our employment and training programs, I have set up an informal labor management committee. The participants include Joe Califano, Juanita Kreps, George Meany, Lane Kirkland, Doug Fraser, Lewis Foy of Bethlehem Steel, Bill Miller of Textron and Chuck Pilliod of Goodyear Rubber. We will have our first meeting on August 2.



ILO

I have continued to discuss U.S. participation in the ILO with interested parties both here and abroad. The AFL-CIO and the U.S. Chamber of Commerce have already voted to withdraw. These votes were taken in confidence and have not been made public. On July 15 I met with Cy Vance and on July 28 I will meet with Zbigniew Brzezinski. We are currently planning a Cabinet level committee meeting in August.

THE PRESIDENT HAS SEEN.

THE SPECIAL REPRESENTATIVE FOR  
TRADE NEGOTIATIONS

WASHINGTON  
20506

1977 JUL 22 PM 2 00

July 22, 1977

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

Subject: Weekly Summary

I pursued the Pacific trip with the EPG, pursuant to your suggestion, and the reaction was positive. I also discussed it with Cooper and Holbrooke of State; Secretary Blumenthal, Solomon, and Bergsten of Treasury; Kreps and Weil of Commerce; and Samuel of Labor. All are in accord that the trip should be made to include Australia, where we are committed to Fraser; Manila for a quick stop and an Asian conference will be taking place at that time; quick stops in Bangkok and Singapore, and a major stop in Tokyo. September is particularly timely because I need to be in Tokyo and Australia and Cooper needs to be in Manila; Cooper and Bergsten are already committed to be in Tokyo. Word of the trip is already out and I have received inquiries from the Finance and Ways and Means Committees about their inclusion. It is my suggestion, and Cooper agrees, that this would be useful. I would include only one member of each Committee.

Within the next few days, you will be furnished a detailed memorandum to permit you to sign off on the trip if you agree. I believe we could do it in nine days.

Ambassador Wolff returned the night before last from one day each in London, Paris, and Bonn and reports his discussions went extremely well in terms of our MTN timetable. This all builds off of the Summit and I might add that Henry Owen has been a very constructive force, utilizing his Summit contacts in the various countries.

We had the first meeting of the Trade Policy Committee (a Cabinet-level Committee under the 1974 Trade Act) to begin the coordination of our MTN negotiations. We will be calling on the various agencies of the Government for tremendous support in terms of people and skills and keeping them deeply involved in planning and execution.

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I met this week with the Ways and Means and the Finance Committees and testified before a House Subcommittee with respect to "the consumer impact of our trade policy." In each instance, I strongly urged the absolute necessity of responsible action in the tariff field. They were firmly and clearly advised that this would be counterproductive to our negotiating posture in trying to develop an enlightened and progressive trade policy. You will be pleased to know that each of the three groups indicated support for the Administration's overall trade actions to date. This won't last long.

I was very disappointed not to be invited to accompany you to Yazoo City. For years I have promised Helen that we would vacation there some summer.



LIMITED OFFICIAL USE

THE PRESIDENT HAS SEEN.

TO: President Carter

July 21, 1977

THROUGH: Jack Watson

FROM: USUN - Ambassador Young

SUBJECT: Weekly Summary of U. S. Mission to the U. N. Activities  
July 13 - 20

1. VIETNAMESE MEMBERSHIP IN THE UNITED NATIONS APPROVED BY THE SECURITY COUNCIL, JULY 20

The decision was reached by consensus after approximately forty speeches expressing satisfaction and welcome to Vietnam for its admission. Many stated that US was "obligated" to provide reparations and otherwise assist in the reconstruction of Vietnam. The brief US statement delivered by Amb. McHenry drew generally favorable reactions.

2. AMBASSADOR YOUNG VISITING WESTERN CAPITALS

Following his attendance at the ECOSOC session in Geneva, Amb. Young is visiting Rome, London, Bonn, and Paris to discuss a wide spectrum of issues, particularly UN-related questions and the next General Assembly.

3. NAMIBIA

Secretary of State Vance, on behalf of the Western Five Foreign Ministers of the Security Council, wrote Secretary General Waldheim to urge him to take a more active role on Namibia, but Waldheim remains reluctant. A meeting in New York with the leaders of SWAPO has been agreed in principle, but SWAPO could not make our proposed date of July 11 and has not yet suggested an alternative.

4. AMB. LEONARD MEETS WITH SOVIET DEPUTY PERMANENT REPRESENTATIVE OVINNIKOV TO DISCUSS UN-RELATED ISSUES, JULY 15

Ovinnikov was interested in US views of which issues are likely to be of major importance during this Fall's session. Topics discussed included the Special Session on Disarmament and US human rights initiatives. Ovinnikov seemed concerned that the US might single the Soviets out for attack.

5. SIXTH SESSION OF THE LAW OF THE SEA CONFERENCE CONCLUDED JULY 15

A new draft treaty text was circulated July 20. The text meets US defense, commercial navigation and civil air needs; it is unsatisfactory in that it would not give assurance of access that is necessary if we are to help finance the operational arm of the International Seabed Authority. A further session is planned for Geneva from March 28 - May 12, 1978.

6. US AID OFFICIALS BRIEF WASHINGTON OFFICE ON RECENT DEVELOPMENTS OF THE INTERNATIONAL CONSORTIUM TO AID THE SAHEL

The emphasis was on increasing the participation of the US Mission, as well as the UN Specialized Agencies, in this major development effort.



THE WHITE HOUSE  
WASHINGTON

July 25, 1977

Secretary Adams

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

RE: PASSAGE BY HOUSE OF GASOLINE  
TAX  
DEEPWATER PORTS - INFORMATION

THE WHITE HOUSE  
WASHINGTON

cc  
Adams



THE PRESIDENT HAS SEEN.

THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

July 22, 1977

MEMORANDUM FOR THE PRESIDENT

THROUGH: Jack Watson

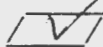
SUBJECT: DOT Issues for Presidential Review

*C*  
*Bel* *Adams*

This memorandum identifies and updates issues pending at the Department of Transportation.

Gasoline Tax - National Energy Proposal: Progress Report ACTION

As anticipated in my July 15 memorandum to you on transportation and energy, the Ad Hoc Committee on Energy chaired by Congressman Ashley has voted in favor of a four cent increase in the gasoline and diesel fuel taxes. This will be presented to the House as a floor amendment to the energy bill. I continue to believe that the proposed use of funds derived through the tax should be modified to fit more closely with our transportation reform proposals, but this can be settled at a later date as the bill moves to the Senate. We expect that the Ad Hoc Energy Committee's report will indicate some flexibility on how the funds will be used. At this time, I think it is important that we mount a major effort to preserve the tax in the House. There is considerable opposition and a unified Administration position will be necessary to achieve success.



Launch effort to get House passage of a gasoline tax (will be coordinated with Frank Moore).



Do not proceed until I talk to you further; Date \_\_\_\_\_

Airbags/Passive Restraints - Update

On July 20, Congressman Shuster (D-Pa.) reintroduced his resolution to overturn my July 1 decision on mandatory installation of airbags in automobiles. This resolution has 150 sponsors.

I am contacting individually key members in the House and Senate to halt Shuster's momentum and gain vocal support for the Administration's position. I will continue to keep you apprised of our efforts.

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### Aviation Regulatory Reform - Information

After my meetings with Senators Magnuson, Cannon, Stevens and others, the pace of the Senate Commerce, Science and Transportation Committee markup of the regulatory reform bill is improving. The Committee has now tentatively approved a compromise policy statement, a small community service provision, a new cargo and charter regulations section and provisions on airline mergers and agreements. The Committee must still decide on fare regulation and entry/exit criteria.

The House Public Works and Transportation Subcommittee has scheduled a hearing in Chicago for July 30th to discuss airline regulatory reform. Because of the importance of this legislation, I have agreed to appear in Chicago at Midway Airport to testify on this matter on that day, and I will urge the House members to introduce a new regulatory reform bill which can be used as a mark-up document.

### Reorganization of the Office of the Secretary - Information

The first Transportation reorganization proposal, which I forwarded to you earlier this week, has now been submitted to OMB and appropriate steps have been taken to notify all employees, the Civil Service Commission, and the unions which might be affected.

### FY 1978 Appropriations - Information

Both the House and Senate have agreed to the Conference Report on our FY 1978 Appropriation. The \$6.196 billion, which was approved, is \$86 million below our original request. All the individual transportation administration appropriations are also below our request, with the exception of the Federal Highway Administration, which was raised without our support from \$159 million to \$272 million, an increase of \$112 million. On the whole, I believe you should find this bill acceptable.

### Locks & Dam 26 - Waterway User Charges: Progress Report

I testified at two Congressional hearings this week on Locks and Dam 26 - Waterway User Charges. The first hearing was on Monday before the House Public Works Committee and the second was on Thursday before the House Ways and Means Committee.

Per your guidance on my July 15 memorandum, I continued to voice Administration support for full waterway user charges and indicated the proposed fuel tax on barges should raise in the first years sufficient revenues to cover the beginning of a 10-year phase-in of your program for recovery of waterway costs.



In answer to questions, I repeated that I would recommend a veto of any Locks & Dam 26 renewal or repair authorization which did not contain acceptable user fees.

#### No-Fault Auto Insurance - Progress Report

During the past week, I testified in support of the Administration's position endorsing Federal standards for State no-fault plans to the authorizing committees of both the House and Senate. The Administration's position was very warmly received. Both Committees have now concluded their hearings on the issue. Markup of the legislation will proceed after the August recess. The general prognosis for the bill at this time looks good. The opponents will get their next, and perhaps last, inning when the members go back to their home districts during the recess. We will continue to work with the Committees for an early completion of this legislation.

#### Deepwater Ports - Information

Seadock, the proposed privately owned and operated deepwater port off the coast of Texas, has moved closer to collapse. As you know, Exxon, Gulf, and Mobil--representing more than a majority of the investors--had withdrawn earlier. Seadock's board has extended for 90 days (into October) the period during which new investors may be found. Seadock's board has also directed its president to try one more time to bring Exxon, Gulf, and Mobil back in, as well as to try to find other investors. Seadock attorneys and DOT staff have been meeting to try to resolve outstanding issues relating to the shareholders agreement. It is not clear that this will be possible, since I have not been satisfied that Seadock proposals so far provide the protections I feel are necessary to protect the public interest in having these facilities open to all users on a truly competitive basis.

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me  
Meanwhile, the Texas Legislature is expected to pass by July 22 a bill backed by the Governor authorizing a public port if the private port falls through. A public port would have great merit, especially considering the difficulties we have had negotiating with Seadock.

Senator Bentsen is under pressure from a delegation of mayors from Texas who are coming to Washington apparently to press for approval of Seadock. I will meet with them on Tuesday. I believe Bentsen has also asked for an appointment for them to see you. While I believe you do not need to see them, if you decide to do so, I would like to be present.

Progress has been greater on negotiations with LOOP, the proposed privately owned port off Louisiana. I am hopeful that LOOP

directors, meeting on July 22, will adopt a set of Owners' Guarantees and Shareholders Agreements which are consistent with the requirements of the license.

The House Merchant Marine Committee has scheduled a hearing for Tuesday, July 26, on Deepwater Ports, focused particularly on Seadock but including LOOP as well. The oil companies, LOOP, Seadock, the Federal Trade Commission, and the Departments of Justice and Transportation have been asked to testify. It is my understanding that Justice does not intend to appear. In our appearance, we will make a brief statement reporting our efforts to negotiate in good faith to try to accomplish these license offers which were issued by the prior Administration.

#### Cuban Seizures of U. S. Vessels - Information

Subsequent to declaring an expanded territorial sea (12 mile) and an exclusive economic zone (200 mile), the Government of Cuba has been responsible for a number of incidents involving U. S. vessels. The latest incident is the seizure of the fishing vessel BOUNTY on July 21, 1977. After the seizure of five U. S. vessels during the period July 1 - 8, the Coast Guard, with State Department concurrence, issued a Notice to Mariners on July 14, 1977. Marine interests were alerted to the possible consequences of operating in the vicinity of Cuba even though the U. S. Government does not recognize the jurisdictional claims. The Notice also provided guidance to vessel operators in the event they were about to be boarded or detained.

The Department of State, through the Swiss Embassy, issued protests on July 6, 1977, and again on July 21, 1977. Four of the first five vessels seized have been released.

THE WHITE HOUSE  
WASHINGTON

July 25, 1977

Secretary Califano

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

RE: HEALTH CARE COSTS

THE WHITE HOUSE  
WASHINGTON

*Alphano*

cc



THE PRESIDENT HAS SEEN.



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

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July 22, 1977

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on significant activities within the Department of Health, Education, and Welfare.

- Labor-HEW Appropriations Bill: The conference on the Labor-HEW appropriations bill (H.R. 7555) completed action last week on all funding issues except the Cuban refugee program. The conference will resume at 10 Tuesday morning with consideration of that issue and the various riders contained in the House and Senate versions of H.R. 7555.

Major actions of the conference committee had the effect of reducing the Senate bill in health controllable expenditures by about \$185 million. The House bill was reduced in the education area by \$109 million.

On the language amendments, the conference deleted the anti-affirmative action provision which had been adopted by the House. We are continuing to work for deletion of the provision of the Senate bill which would prevent us from carrying out our civil rights data survey. Indications are that the conference could be a lengthy one because of the debate on the abortion issue.

- Regional Reorganization: On Thursday, July 21, I announced the Department's regional reorganization that should strengthen the command relationships between HEW's five main operating components and their counterparts in the field. We have created the new post of Deputy Under Secretary for Intergovernmental Affairs to be in constant touch with the Principal Regional Officers (as you know, we are abolishing the title and the functions of the Regional Director and making the principal Regional Officer a coordinating, not an operating position).

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- Health Care Costs: The Health Resources Administration will announce on July 25 a two-year study which could lead to savings of millions of dollars in hospital administration costs. The study, to be conducted in California, is an evaluation of a uniform billing form used by hospitals to obtain reimbursement for inpatient and outpatient services provided to subscribers of commercial insurance companies, Blue Cross and Blue Shield, and other third party payors. *Good* If this experiment is successful, this single form, which can be computerized, will save hospitals throughout the country a substantial portion of the high costs incurred in using many diverse forms.
- Abortion: Early next week, the order of the Supreme Court vacating the injunction against implementation of the Hyde Amendment should reach the District Court. If the District Court takes no further action at that point, then the injunction will no longer be in effect and HEW will no longer pay for abortions except where the life of the mother is endangered. We have prepared directives that will be sent to the regions, to State Medicaid offices and to Public Health Service facilities. Last year's conference committee report contains language indicating that the Hyde Amendment is not intended to prohibit treatment for victims of rape and incest. HEW lawyers have examined the legislative history and interpret that language to mean that victims of rape and incest can be reimbursed for prompt treatment before a pregnancy can be established but that reimbursement for merely elective abortions after rape or incest is prohibited. I have asked Griffin Bell for an opinion interpreting the conference committee language.

*Joseph A. Califano Jr.*

Joseph A. Califano, Jr.

THE WHITE HOUSE  
WASHINGTON

July 25, 1977

Administrator Solomon

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

RE: FBI May Dispose of Many Files

THE WHITE HOUSE  
WASHINGTON

1/18/82

cc Solomon





United States of America **THE PRESIDENT HAS SEEN.**  
General Services Administration  
Washington, D.C. 20405

Administrator

July 22, 1977

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C

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on GSA Activities

FBI May Dispose of Many Files

The Justice Department and the FBI are conferring with the National Archives (NARS) on the proposed destruction of many of the 6.5 million files the FBI collected on citizens and groups that attracted Bureau attention only because they participated in some sort of political protest. The law sets down procedures for Government agencies to transfer historic records to the Archives and gives archivists a role in determining what must be preserved and what can be destroyed. The issue of the files arose at a House Judiciary Subcommittee hearing during which some members criticized the FBI for holding on to masses of records having nothing to do with criminal activity.

*good*

Government-Wide Evaluation of Mail Procedures

Over the years the National Archives (NARS) has inspected records management programs of many agencies. Now it is conducting a Government-wide evaluation of mail procedures that it hopes will lead to improvements by identifying key problems. The study began with the collection of data from the Commerce Department and will continue with similar studies at a sampling of other agencies to be followed by analyses of the findings.

Water Shortage Results in Lost Manhours

The water shortage in Montgomery and Prince Georges Counties on July 7 and 8 resulted in dismissal of Federal employees working in those two counties. The lost manhours as a result of that crisis are estimated at 590,000 hours. Based on the average salary for Government employees in the Washington metropolitan area, the estimated cost of these lost manhours is about \$5.1 million.

Presidential Successor Evacuation Plan

The first "live" exercise of the White House-directed Presidential Successor Emergency Evacuation Plan, developed by the Federal Preparedness Agency, was conducted on July 15, 1977. The Department of Justice was the successor agency selected to participate. The time required to complete each phase of the operation was well under that anticipated.

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### Emergency Broadcast System (EBS) Test

A call was received from the White House Communications Agency (WHCA) by the Federal Preparedness Agency (FPA) Special Facility ordering an unscheduled test of the EBS activation network. Within four minutes, the test message was in progress over the network and was subsequently successfully completed. This test was of particular interest because the order for the unannounced test was initiated by WHCA from the National Emergency Airborne Command Post (NEACP) while in flight. The test was conducted and status reports went back to NEACP while still in flight.

### Assistance to State Department

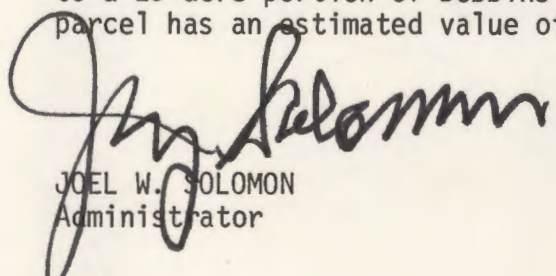
The Department of State advised us on July 15 that they will require special supply assistance from the GSA Federal Supply Service to establish a "United States Interest" in Havana, Cuba. They expect to provide us with the requisition numbers of the material they need and the location of their consolidated delivery point by the end of the week.

### Wastepaper Sales

For the first six months of Fiscal Year 1977, over 13,000 tons of wastepaper were sold for \$626,000. These sales were a result of term contracts established by the GSA Office of Personal Property Disposal in conjunction with the Public Buildings Service for use at major wastepaper generating Federal facilities nationwide. Region 3 alone generated nearly 10,000 tons of the wastepaper resulting in proceeds of \$526,000. This is a very worthwhile program from the standpoint of not only generation of proceeds for the Treasury, but also compatibility with the Government's initiatives to encourage the use of recycled materials.

### Public Parks Program

On July 13, the GSA Regional Office in Atlanta announced the addition of one park to the program. Attached is a copy of a news release pertaining to a 29-acre portion of Dobbins Air Force Base, Marietta, Georgia. This parcel has an estimated value of \$435,000.



JOEL W. SOLOMON  
Administrator





4AV-7-155  
July 13, 1977

Twenty-nine acres of forest land on Dobbins Air Force Base will be donated to Marietta, Georgia by the Federal Government for recreational use, it was announced today.

The U. S. General Services Administration said it is assigning the land to the Bureau of Outdoor Recreation of the Department of the Interior, which has the responsibility of conveying the property to the city of Marietta, and seeing that it is developed for approved public use purposes.

In converting the property to a park and recreation center, Marietta plans to build tennis courts, picnic shelters and handball/paddleball and volleyball/badminton courts. A camping area, cleared play field and general play area will also be part of the center. Plans call for development over two years at a cost of approximately \$220,000.

Jay Solomon, GSA Administrator, said "the Air Force property is being conveyed under a program of the administration to convert surplus Federal land to more beneficial use including park and recreational areas."

Since 1971, Solomon said, 683 parks with 84,594 acres valued at \$265 million have been created under this program. All 50 States, the District of Columbia, Puerto Rico and the Virgin Islands have received land.

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